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## NEWS SUMMARY

### GENERAL

## Defence spending to keep rising

The Government intends to keep defence spending rising by 3 per cent a year in real terms well into the 1980s, in spite of the cuts in other areas of public spending.

Defence Secretary Francis Pym said defence capability would be improved in the short and long term in an effort to meet NATO targets.

The UK is studying the possible development of a new ground-to-air guided missile with France and Germany, RAF Minister Geoffrey Pattie announced. Back and Page 3

### Russians asked about FT man

Britain's charge d'affaires in Moscow, Brian Fall, called at the Soviet Foreign Ministry to voice official concern at the treatment of *Financial Times* correspondent David Satter.

Concern was expressed to Lev Krylov, first deputy chief of the Ministry's Press department, over the decision to renew Mr. Satter's accreditation for only six weeks.

Mr. Fall made it clear that Britain "attached importance to the principle of reciprocity" in the handling of journalists, said a British Embassy official in Moscow.

### Homes plan

In a move that could have far-reaching repercussions for the private rented housing sector, the Government announced plans for a new system of short-hold tenancies. Landlords would be able to let accommodation on short, fixed-term tenancies, during which tenants would have complete security of tenure. Page 3

### Pope's visit

The Pope never contemplated crossing into Ulster during his visit to Ireland at the end of September, the Vatican made clear to the British Government.

### Crisis talks

Italy's third Prime Minister-designate in 26 days, Filippo Maria Pandolfi, starts talks today aimed at forming a new Government. Page 2

### Desai bows out

India's ousted Prime Minister, Morarji Desai, 83, resigned as Janata Party leader and announced that he planned to withdraw from public life. The party, now in opposition, will be headed by Jagjivan Ram. Page 2

### Airport blamed

Norwich Airport authorities were held liable by a High Court judge for a jet crash caused by seagulls on the runway in 1973. Judgment was given for Fred Olsen Airtransport, with assessment of damages set for a later hearing. Page 20

### Bomb victim

A car bomb killed former police reservist and Salvation Army gospel singer James Wright, 49, outside his home in Portadown, Northern Ireland. His 21-year-old daughter was seriously injured.

### Briefly . . .

Stage and television entertainer Bruce Forsyth and his wife Anthea Redfern are to separate, their solicitor said.

Death sentence passed in Jersey on Nigel Hopton of Castleford, Yorks, has been committed to life imprisonment.

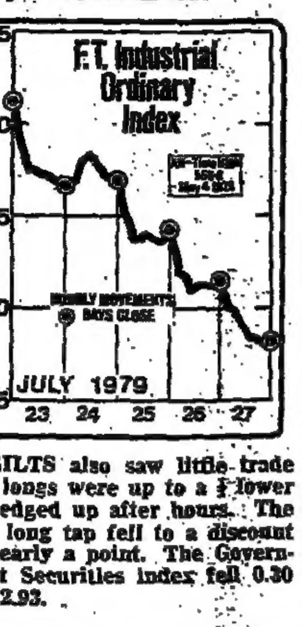
London's temperature rose to 88 degree Fahrenheit, the capital's hottest day since summer, 1976. Forecast, Back Page

Propane gas leak caused the evacuation of 1,500 people from the village of Hayfield, near Glossop, Derbyshire.

### BUSINESS

## Equities fall 3.3; Sterling off 1½c

● **EQUITIES** ended the Account on a dull note and the FT 30-share index fell 3.3 to 458.2, a five-month low.




● **GILTS** also saw little trade and longs were up to a ¼ lower but edged up after hours. The new long tap fell to a discount of nearly a point. The Government Securities index fell 0.30 to 72.93.

● **STERLING** eased on profit-taking, closing at $2.3145, down 1½ cents. Its trade-weighted index fell to 73.5 from 74. The dollar's trade-weighted index was 84 (83.9).

● **GOLD** lost $½ in London to $305¼, up $7½ on the week. In New York, Comex August settlement was $305.90 ($305.40).

● **WALL STREET** closed unchanged at 839.76.

● **U.S. FEDERAL** Trade Commission has sought a late court injunction to halt Exxon Corporation's $1.17bn (£505.5m) takeover of Reliance Electric. Back Page

● **INTEREST RATES** on National Savings Bank investment account deposits are being raised by ½ per cent to a record 12½ per cent in September. Page 20

● **PORT OF LONDON** will continue to receive Government aid over the year to finance redundancies and cash shortage, but its longer-term prospects will be reviewed, MPs were told. Back Page

● **BRITISH PETROLEUM** has made a deal in principle with Western Mining Corporation of Australia, which could mean spending up to £600m over the next decade. Back Page

● **WEST GERMAN** Cartel Office has condemned oil companies for unjustifiably raising petrol prices by about 5 per cent last week, but does not plan any action. Page 2

● **MOBIL** is suing for $100m damages from the owners and operators of the two oil tankers that collided in the Caribbean last week.

● **HOUSE BUILDING** costs rose by 8.7 per cent on average in the second quarter this year, says the British Insurance Association. Page 3

● **BOILERMAKERS'** union in British Shipbuilders is to seek a 37 per cent pay rise, taking the minimum skilled rate from £80 to £110. Back Page

● **WORKERS** in the heating and ventilating industry will have their working week cut from 40 to 38 hours from next February under a 2½-year pay deal. Page 3

### COMPANIES

● **MIDLAND BANK'S** pre-tax profits for the first half of 1979 rose 56 per cent to £138.5m. Page 16 and Lex

● **BTR**, the general rubber manufacturer, reports a 50 per cent rise in taxable profits to £27.4m for the first half of 1979. Page 16 and Lex

● **NISSAN MOTOR**, of Japan, reports a 30 per cent drop in consolidated net profits to Y66.84bn (£133.7m), reflecting sluggish exports. **HONDA MOTOR'S** consolidated net profits for the quarter to May 31 fell to Y2.15bn. Page 19

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

**RISES**

| | | |
|---|---|---|
| BTR | 314 | + 17 |
| Caledonian Cinemas | 675 | + 25 |
| Keyser Ullmann | 66 | + 4 |
| Magnet Southerns | 217 | + 14 |
| RFD | 59 | + 3 |
| Stenhouse | 75 | + 3 |
| Stylo Shoes | 172 | + 6 |
| Oil Exploration | 338 | + 20 |
| MIM Hldgs. | 176 | + 5 |
| Western Mining | 135 | + 6 |

**FALLS**

| | | |
|---|---|---|
| Treas. 13pc 1990 | £103¼ | − ¼ |
| Exchq. 12pc 13-17 | £100⅞ | − ½ |
| AC Cars | 36 | − 4 |
| Barclays Bank | 425 | − 8 |
| Brent Walker | 80 | − 4 |
| Burt Boulton | 170 | − 5 |
| Hall (Matthew) | 186 | − 7 |
| Land Securities | 285 | − 5 |
| Lee Cooper | 178 | − 7 |
| Mining Supplies | 78 | − 10 |
| Scottish Newcastle | 63½ | − 1½ |
| Somportex | 99 | − 6 |
| Stock Conversion | 364 | − 8 |
| Tube Investments | 334 | − 10 |
| Vaux Breweries | 144 | − 4 |

# Moves to develop small North Sea oilfields faster

BY RAY DAFTER, ENERGY EDITOR

**International oil companies are discussing with the Government ways of speeding development of some 50 small North Sea fields. The discoveries are thought to contain over 3bn barrels of oil, almost twice the reserves of Shell-Esso's Brent Field.**

The UK Offshore Operators' *Association and Energy* Department officials are trying to formulate incentives to encourage companies to exploit the reserves. At the moment many *of these so-called marginal fields* are considered too small to justify commercial development.

If a formula can be reached, it could help to boost production in the mid-or late 1980s, when output from the first batch of North Sea oilfields will be well into decline.

The Government and industry *realise that these marginal fields* will not provide enough oil to maintain energy self-sufficiency into the 1990s. Hence the new stimulus to offshore exploration *announced as part of the* Government package of North Sea measures on Thursday.

### 'Air cleared'

The Offshore Operators' Association, representing oil companies in the North Sea, including the State-owned *British National Oil Corporation*, welcomed the Government plans.

Mr. George Williams, director-general, said he was sure that *the statement would encourage* companies to step up activities on the UK Continental Shelf. "The statement has cleared the air," he said.

Lord Kearton, chairman and chief executive of BNOC, felt that the Government had called the oil companies' bluff. It remained to be seen whether the private sector would respond to *the challenge for greater exploration effort*.

Lord Kearton, who was speaking after the corporation's monthly Board meeting, said that BNOC had been the butt of "outrageous lies" of some oil companies.

"Ninety-nine per cent of what they said was absolutely balderdash but up to now the corporation has had to maintain a discreet silence.

"If anything, we have been *the ones keeping things moving* in the North Sea," he said.

Studies in the shortly-to-be-reshaped BNOC show that nearly 40 per cent of the licensed 370 blocks allocated in the first four rounds of concessions have had no wells drilled *on them at all*.

The private oil companies could no longer use BNOC as *an excuse for failing* to undertake oil exploration, he said in reference to Government plans to reduce and reshape the corporation's activities. "The *Government has passed* the ball back to the oil companies."

It was a scandal that oil companies should be sitting on blocks *without exploring them* for several years, and then claiming that BNOC's presence was the reason behind the delay.

*Over* 55 per cent of North Sea exploration was financed by BNOC *though this share would* decline with the Government's greater encouragement of the private sector.

The North Sea offered oil companies *more attractions than* anywhere in the world, and the Government would look for a dramatic increase in the number of wells drilled in the *coming months*.

### Burden lifted

Under the package of *measures announced* by Mr. David Howell, the Energy Secretary, oil companies will have greater freedom of operation. BNOC's privileges as an *offshore company* are to be ended. Its statutory monitoring role is to cease, though it will still operate as a wholly State-owned oil trader.

In the next few months the Government has to clarify a number of points in its package, including the extent to which some of BNOC's £1bn-worth of assets will be sold off, and to what degree public funds will

Continued on Back Page

# Bank postpones recall of £240m special deposits

BY DAVID FREUD

THE AUTHORITIES took steps yesterday to prevent short-term interest rates from moving higher.

A £240m recall of special deposits from the banking system, due next week, was postponed until September 10.

The move, widely expected, comes after pressure in the money markets had driven inter-bank rates above Minimum Lending Rate, which was raised from 12 to 14 per cent in the Budget.

The Bank of England said that the postponement implied no relaxation of the policy of continuing monetary restraint and was solely a technical smoothing operation.

The authorities temporarily released about £700m of special deposits, or 1½ per cent of eligible liabilities, three weeks ago.

A third of that was to be returned to the Bank on August 3 and will now be handed back five weeks later. The balance of £470m remains due on August 13.

As well as the special deposits relaxation, the Bank continued *to give assistance in the London* money market, where rates tended to edge slightly downward.

The official activity suggests that the authorities are unwilling to see interest rates rise further because they view the pressure on rates as short-term.

The strains have been caused by the impacts of the Government's success in selling gilt-edged stock and of the spending spree before the value-added tax increase.

Since the *beginning* of May, £3bn has been paid to the Government for new gilts. The drain on the liquidity of the banking system from that source is likely to continue, since a £555m call *on the 1999 stock* is due on August 8.

That suggests that the extent of pressure on short-term rates will soon be decided by the level *of demand for credit from* consumers and industry.

In the exchange markets, profit-taking eroded part of sterling's recent sharp gains. The *trade-weighted index* fell from 74.0 to 73.5 and was 1.5 cents down against the U.S. dollar at $2.3145.

The dollar was slightly stronger in a thin market, rising 0.1 to 84.0 on the Bank of England's trade-weighted index. *Against the D-mark it closed at* DM 1.8195, compared with Thursday's rate of DM 1.8190.

*Money markets Page 21*

# U.S. prime rates rise to 11¾%

BY JOHN WYLES IN NEW YORK

THE COST of bank loans in the U.S. increased yesterday when a large number of commercial banks boosted their prime rates to 11¾ per cent after recent increases in the cost of their *funds*.

The ¼ per cent increase brought little reaction from the bond markets where prices slipped slightly in quiet trading. Share prices fell at the news, but recovered later, and the Dow Jones Industrial Average closed unchanger at 839.76 after gaingaining more than 14 points since Monday.

The rise in the rate the banks charge *their best customers* is largely a reflection of recent moves by the Federal Reserve Board. Last week the Fed raised the rate on loans to member banks, *the discount* rate, from 9½ to 10 per cent, and since then has pushed money market rates higher by raising the Fed funds rate target from 10½ per cent to around 10¾ per cent.

These moves, together with the nomination of *Mr. Paul* Volcker as Fed chairman, have added firmness to the dollar in the foreign exchange markets over the last few days.

They may well be followed by further credit tightening, since consumer prices are rising at an annual rate of 13.2 per cent. Money supply growth in the last three months has been well above targets, and there is still a big demand for credit.

*Commercial and industrial* loans by Fed member banks this year are more than 40 per cent higher than in the same period last year.

The prime rate has been oscillating between 11½ and 11¾ per cent since November and yesterday's increases were led, as so often, by Citibank of New York.

Citibank first raised its prime to 11¾ per cent in December, came down ¼ per cent in February, returned to 11¾ in May, reduced again in June and then raised again yesterday.

**£ in New York**

| — | July 27 | Previous |
|---|---|---|
| Spot | $2.3215-3230 | $2.3300-3310 |
| 1 month | 0.56-0.52 dis | 0.70-0.66 dis |
| 3 months | 1.69-1.65 dis | 1.75-1.71 dis |
| 12 months | 4.60-4.50 dis | 4.54-4.44 dis |

# Kaunda warns over Rhodesia

BY MICHAEL HOLMAN

PRESIDENT Kenneth Kaunda of Zambia yesterday warned Mrs. Margaret Thatcher that *British recognition* of the Zimbabwe-Rhodesian Government would lead to increased fighting and to "a racial state where black and white will never be able to live together again."

Dr. Kaunda's remarks on a Canadian Broadcasting Corporation programme coincided with the arrival of the Queen and the Duke of Edinburgh *in Lusaka* yesterday for a nine-day official visit. The President will be chairman of the Commonwealth Conference which opens formally on Wednesday.

Dr. Kaunda said, "the very interests they (the British Government) are trying to protect now, by using puppets like *Abel Muzorewa*, would be blown to pieces by the fury of the liberation war.

"*Regardless of what* Margaret Thatcher does in terms of recognising the Muzorewa Government, the war will continue. I might warn that if she recognised *that Government she must* be ready to send in British troops to fight side by side with Abel Muzorewa.

"If she did that, then of course the rest of the continent of Africa will be up in arms against her and her Government."

Dr. Kaunda's tough words give an indication of the stand Zambia is likely to take at next week's conference.

The President, members of his cabinet and *central* committee of the ruling United National Independence Party were at Lusaka International Airport to greet the Royal party.

*Drummers* and dance troupes performed there. The route from the airport through the *city centre to State Lodge*, where the Queen will be staying as a guest of the President, was lined by tens of thousands of cheering Zambians.

The Royal itinerary includes visits to copper belt mining towns, and game reserves. The *Queen will also meet heads of* Government attending next week's conference.

*At a Press conference* yesterday, Mr. Joshua Nkomo, leader of the Zimbabwe African Peoples Union read the text of his letter to Dr. Kuanda *declining invitations* to functions involving the Queen.

He said he intended no disrespect, but in some quarters the prospect of the guerilla *leader meeting of the Queen had* become a political football, and he was anxious to avoid this.

# Times talks reach formula for return

BY ALAN PIKE, LABOUR CORRESPONDENT

A FORMULA for re-publication of the Times newspapers, which have not appeared for almost eight months, was drawn up by *the management and national* union leaders yesterday.

The proposals will now be put by leaders of the seven unions involved to their executives and to members at Times Newspapers.

*This further* improvement in the prospects for re-publication of the Times, the Sunday Times and the three Times supplements followed two meetings betwen the union leaders and Mr. Gordon Brunton, chief executive of Thomson British Holdings.

### Revised

A statement issued after the second meeting yesterday said that a formula had been produced which "could lead to the reinstatement of staff and to the republication of all titles."

The unions had demanded a meeting with Mr. Brunton after *the collapse of talks with representatives* of Times Newspapers management. At these talks union leaders had unanimously rejected revised re-publication *terms and accused* Times Newspapers of going back on earlier proposals.

However, the position improved late on Thursday night *after a meeting between* Mr. Brunton, Times Newspapers representatives and the unions.

This was followed by yesterday's second meeting when agreement was reached on a revised set of proposals on *disputes procedure, guarantees* of continuous production and other issues contained in the set of "minimum practical conditions" which Times *Newspapers says* must be met before it will resume publication.

The union *leaders are still* left with the task of steering the revised formula produced yesterday through meetings of their executives and Times *members. After such a long* and unusual dispute this may not be an easy task for some of them. There could be problems, particularly so far as two *Sunday Times chapels* of the National Society of Operative Printers, Graphical and Media Personnel are concerned.

### Deadlock

The revised formula produced yesterday should represent another significant hurdle over*come on the* painstaking path to republication.

The possibility of republication after months of deadlock came when Times Newspapers *announced that the issue of* which staff should have access to a new computer-based composing system was no longer a barrier to a settlement. Talks *on this will* take place with a 12-month deadline for reaching agreement.

# U.S. trade deficit cut

BY DAVID BUCHAN IN WASHINGTON

A BROAD-BASED rise in exports in June, outstripping increased imports of costlier oil, narrowed the U.S. trade deficit *last month* to $1.9bn from $2.47bn in May, the Commerce Department reported yesterday.

News of the modest improvement, which brings the overall *trade shortfall in the first half* of 1979 to $11.75bn compared to $17.2bn in the same period last year, came at an opportune moment for the U.S. dollar, under pressure recently on foreign exchanges.

The U.S. would in any case take action to stop its currency falling any further. Mr. William *Miller, outgoing chairman of* the Federal Reserve Board, said yesterday.

"We will not permit the dollar to deteriorate from *present levels*," he told the Senate Finance Committee, at present holding hearings to confirm his appointment as the new Treasury Secretary.

His pledge echoed that made earlier this week by Mr. *Anthony Solomon*, Treasury Under Secretary for Monetary Affairs, and was coupled with assurances to the Senate Committee that "the Miller Treasury" would make the fight against inflation its prime concern.

### Support package

*Though the dollar* has in recent days edged back up a bit, Mr. Miller said the Administration would not hesitate to expand, if need be, the $30bn *support package of foreign* currencies it put together last November. Since then, however, only a fraction of this amount has been used to bolster the U.S. *currency*.

The U.S. trade deficit has

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*For latest Share Index 'phone 01-246 8026*

# OVERSEAS NEWS

## Pandolfi in crisis talks today

BY RUPERT CORNWELL IN ROME

SIG. FILIPPO MARIA PANDOLFI, Christian Democrat Treasury Minister and Italy's third Prime Minister Designate in just 26 days, will start talks today to try to find a temporary formula to end the seemingly insoluble crisis and form a government.

The nomination of Sig. Pandolfi by President Pertini as the latest candidate to attempt to end the six-month-old stalemate came after perhaps the most chaotic 24 hours in recent Italian political history.

During Thursday one possible candidate after another withdrew from the thankless task, a process culminating in a public refusal by Sig. Arnaldo Forlani, the Foreign Minister, following a frantic shuttle between the presidential palace and Christian Democrat headquarters here.

Sig. Pandolfi's chances rest primarily on his reputation as a neutral "technocratic" figure, not linked to any of the various Christian Democratic factions, whose internecine warfare has done so much to complicate an already confused political situation.

The choice of the 51-year-old Treasury Minister was welcomed yesterday by the smaller parties—the Liberals, Republicans and Social Democrats—who might form part of his Administration.

But his hopes hinge on the reaction of the Socialists still smarting from the stinging rejection at the hands of the Christian Democrats of the attempt by their leader, Sig. Bettino Craxi, to form a government. Their initial reaction was not encouraging.

Sig. Enrico Manca, a prominent Socialist, said he was "very doubtful," whether Sig. Pandolfi would succeed. His doubts had been amplified by the behaviour of the Christian Democrat leaders in the hectic run up to the Treasury Minister's nomination, he added.

Apart from the difficulty of persuading the socialists to acquiesce in the choice of any Christian Democrat, Sig. Pandolfi may also be handicapped by his association with the rigorous three-year economic plan which bears his name. This is much disliked by elements in the Socialist Party.

He has built his reputation entirely in the economic and financial fields. From July 1976 he was Budget Minister, before moving to the Treasury in the new Government formed in March 1978. He has held the post ever since, not only drawing up the three-year plan but also winning considerable international esteem in the EEC and elsewhere.

Sig. Pandolfi leaving the Quirinal Palace

Meanwhile Sig. Forlani's refusal to take the Premiership is seen as further proof of his intentions to challenge Sig. Benigno Zaccagnini, the Christian Democrat Secretary, for his job at the party congress this autumn.

## Italy raises petrol and diesel prices

BY RUPERT CORNWELL

ITALY yesterday put up the price of petrol by 10 per cent to L550 per litre (£1.30 per gallon) and of diesel fuel by 13 per cent to L242 per litre.

Both moves took effect from midnight last night, at the start of the busiest holiday weekend of the year.

The increases, announced after a Cabinet meeting, are designed to pass on to the consumer the higher crude prices introduced by OPEC at its June meeting in Geneva. Sig. Franco Nicolazzi, Industry Minister, emphasised that the Government's tax take remains unchanged.

The petrol price rise is the first for almost three years, and will do no more than keep pump prices in Italy in the upper European bracket. Sig. Nicolazzi assured the public that petrol supplies this year were fully adequate to meet expected demand.

The diesel fuel increase—the fourth this year—means that its price has risen more than 50 per cent in seven months, as the Government has progressively sought to align the permitted margin for companies with those obtaining on other international markets.

Widespread shortages are still being reported, especially in Northern and Central Italy. A survey by La Stampa reported that exactly half the filling stations on motorways in Piedmont and Liguria are completely without diesel fuel.

Sig. Nicolazzi warned that present estimates showed Italy to be facing a 15 per cent diesel fuel shortage for the rest of this year. The new price, he hoped, would enable companies to purchase the 2m tonnes needed on the open market.

A flood of other basic price increases is set to accompany Italians on their holidays. Newspapers go up L50 to L300 (16p) a copy next week.

Electricity prices are set to increase, as are those of drugs and pharmaceutical products, bread, rail tickets and probably telephone tariffs, for which a 25 per cent increase has been sought.

## Miller questioned on Textron payments

By David Buchan in Washington

MR. WILLIAM MILLER was questioned yesterday about payments made to foreign officials by Textron, the corporation which he headed until late 1977, on the first day of Senate confirmation hearings on his appointment as Treasury Secretary.

The Textron payments were also an issue last year when Mr. Miller was confirmed by the Senate as chairman of the Federal Reserve Board. But the Senate Finance Committee yesterday returned to the subject, following two recent reports—one by the Securities and Exchange Commission (SEC) and the other an internal inquiry by Textron—on Textron's payments between 1971 and 1978.

Senator Russell Long, the committee's chairman, said the unpublished SEC report basically cleared Mr. Miller.

Mr. Miller flatly restated his previous position that he had "not condoned a single dollar" of the payments abroad, which the Textron report admitted totalled $870,700 over the seven years. Neither the SEC nor the Textron reports show any evidence that Mr. Miller, who was chairman and chief executive of the corporation, was aware of the payments.

Asking for more time to digest the new reports, Finance Committee members turned to examining Mr. Miller on the broad economic policies he intended to carry out at the Treasury. Mr. Miller, who is to be replaced at the Fed by Mr. Paul Volcker, said that the present recession should not divert the Administration from the battle against inflation, although he argued that counter-cyclical job programmes might ease unemployment in certain regions.

Specifically, he urged the committee to pass a strong windfall oil profits tax to finance energy development. This key tax proposal is now before the Finance Committee, which must act on it before it can go to the Senate floor.

## Egypt needs rebuilding from A to Z, says Sadat

BY ALAN MACKIE IN CAIRO

EGYPT NEEDS to be rebuilt from A to Z, President Sadat told an audience at Alexandria University last night in a televised speech to mark the 1952 revolution which overthrew the monarchy.

With the signing of the peace treaty with Israel, there is no longer any excuse for not solving the acute problems under which the majority of Egyptians live, he said.

It was Mr. Sadat's most unequivocal statement yet that the enormous task of reconstruction must take precedence over all else and that the ultimate responsibility for its implementation lies with himself.

He singled out housing and food security as the two most pressing areas of concern and alluded to the fact that the population was now increasing at the rate of 1m every 10 months.

He also gave his backing to a new tax law. "Many sectors gain without paying their due to the State," he said. Attempts to introduce new tax legislation have run into stiff resistance from vested interests in the People's Assembly.

President Sadat gave no quarter to his Arab critics whom he described as "full of hatred grudges and meanness." Indeed, he showed a growing impatience, saying Egypt would "reassess its relations" with them.

"Let us see what they can achieve without Egypt and see what Egypt can achieve without them," he said.

He again attacked the Soviet Union for causing the UN Emergency Force (UNEF) mandate to lapse last Tuesday without anything to replace it.

"The Soviet threat to veto a Security Council decision to extend the UNEF mandate in Sinai is very strange, since Egypt and Israel both wanted an extension."

The Soviet Union was against the withdrawal of Israeli troops from Sinai, he added. Difficulties with Israel over stationing an alternative force were "a side issue which should not affect the peace process."

President Sadat appears to be going onto the offensive in winning Third World support for his peace treaty with Israel.

Egypt is to attend the non-alligned summit due to begin on August 24 in Havana despite deteriorating relations with Cuba — which resulted last Wednesday in the cancellation of a visit to Havana by an Ekyptian delegate preparing for the summit.

The decision to brush aside Cuban statements hostile to Egypt stems partly from Egypt's success in staving off a rejectionist bid to isolate it at the Organisation of African Unity summit in Monravia earlier this month.

This was a success which contrasted starkly with the humiliating rebuff Egypt suffered at the Islamic summit at Fez, in May, when it only made half-hearted attempts to state its case and did not attend.

## PLO orders Beirut shops to close

BY IHSAN HIJAZI IN BEIRUT

SHOPS in the predominantly Moslem West Beirut were forced to close yesterday, in mourning over the assassination in Cannes this week of Mr. Zuhair Mohsen of the PLO.

Earlier, threats had been made to President Anwar Sadat and other Egyptian officials by members of Saiqa, the Syrian branch of the PLO.

Bands of armed men went around the streets shooting their Soviet-made Kalashnikov machine guns into the air, burning rubber tyres and forcing shop keepers to close their shutters.

The forced closure came despite a call for a general strike here today when Mr. Mohsen's body will be flown from Nice to Damascus. A formal funeral for the dead Palestinian leader will take place tomorrow.

Tension gripped West Beirut yesterday night as guerrillas ordered a mobilisation within an hour of the announcement of the death of Mr. Mohsen, who was shot by unknown assailants on Wednesday.

People stayed home and only a few ventured into the streets the next morning.

According to reports in the Press here, Mr. Sami Attari, who heads the Palestinian branch of the Damascus-based Pan-Arab Command of the Ba'ath Party, will succeed Mr. Mohsen as head of Saiqa. The guerrilla group, with about 3,000 members, is the largest PLO faction outside Al Fatah.

## Ford takes new look at Portugal

By Jimmy Burns in Lisbon

FORD OF EUROPE has apparently taken up again its plans to build a $650m car assembly plant in Europe.

A spokesman for Ford Lusitania, the U.S. company's Portuguese subsidiary, said here yesterday that a delegation led by Mr. Robert Lutz, Ford Europe's chairman, would arrive in Lisbon on Monday for three days of talks with Portuguese officials, including President Antonio Ramalho Eanes.

But he stressed that the visit did not mean that a decision was imminent. It was rather a resumption at the highest level, of contacts which were temporarily interrupted after scrapping of the project in April.

Mr. Lutz's visit to Portugal will come at the end of at least two months of secret talks at the technical level between Ford Europe and Portugal.

Despite the April announcement, the Portuguese Government has at no stage given up its campaign to attract the European assembly plant.

Earlier this week Sr. Alvaro Barreto, outgoing Industry Minister, said he was optimistic that Ford would make a major investment in Portugal.

Reuter adds from Tokyo: Toyota Motor Sales Company denied a Press report from Madrid that it has tentatively decided to open a plant in Spain to produce 300,000 cars a year.

THE WAR IN ERITREA

## Ethiopia offensive 'broken'

BY DAN CONNELL

ERITREAN guerrilla forces say they have broken the back of a Soviet-assisted offensive by Ethiopian forces after two weeks of heavy fighting.

The offensive, in which Soviet tacticians and technicians are believed to have played a big part, was aimed at crushing the forces of the Eritrean Popular Liberation Front, the main nationalist fighting organisation whose main strength is in the Sahel area of northern Eritrea.

The EPLF was driven back to the Sahel area in the second half of last year, in a series of major assaults on the towns they and other guerrilla groups held in Eritrea. Now the EPLF appears to be reversing the tide of successive setbacks during which it lost what was once a dominant position in the province.

The EPLF has been fighting for the independence of the province — once an Italian colony—for nearly two decades.

Very different from most African guerrilla movements, it fights partly with captured Soviet-made tanks and long-range 122 mm artillery—giving it a military strength superior to most national armies in Africa.

The latest Ethiopian offensive was aimed at over-running the Sahel area and taking the town of Nakfa, the last guerrilla-held town in Eritrea.

Yet, after two weeks, Ethiopian forces have been unable to advance, and the guerrillas claim that the Ethiopians have suffered as many as 15,000 casualties — many of them barely-trained militiamen who tried to advance in "human wave" formations.

Ethiopia opened the present Eritrea campaign on July 16, with 40,000 troops in three fronts in the Nakfa area and along the Red Sea coast.

The EPLF is believed to have between 40,000 and 60.000 men,


having gained in strength with recruitment from the Ethiopian-held towns after last year's setbacks.

The EPLF appears to have ample ammunition for its tanks and artillery, and though it has little defence against Ethiopian MiG aircraft, it claims that the rugged volcanic terrain cancels out the Ethiopian superiority in armour and artillery.

Having broken the back of the present Sahel offensive, the EPLF appears to be preparing for a major counter-offensive there and in the highland plateau.

By making a long journey on foot into the highland part of Eritrea, I established that the EPLF still holds military positions just outside Asmara, the provincial capital, and that there are relatively few Ethiopian troops in the highlands, the majority being concentrated in the Sahel.

But the front's supply network is now operated by camel rather than by lorry, and the guerrillas no longer control the main roads of the province.

Renewed heavy fighting was reported in the north this week, but guerrilla leaders say the Ethiopian objective now is principally defensive.

"We expect more of that," said Issayas Afewerki, the EPLF field commander. "But it seems they are trying to maintain their positions until reinforcements come and to prevent us from taking the counter-offensive.

"Militarily speaking, the next step will be some sort of retreat or change of their positions in the Sahel area. On our side now, we have made sure that they will never be able to advance further from their present positions."

"If we get the chance to remobilise our forces, then the initiative will be in our hands. It is very difficult to predict what will happen next."

For Ethiopia, a major setback in Eritrea would be yet another problem for a beleaguered Government whose hold on the Somali-populated Ogaden region of south-eastern Ethiopia is also believed to be less than total. The Government is also facing serious economic problems.

## Carter names two more for Cabinet

By Jurek Martin, U.S. Editor

PRESIDENT CARTER yesterday nominated Mr. Moon Landrieu, the former Mayor of New Orleans, as his new Secretary of Housing and Development, and Mr. Neil Goldschmidt, Mayor of Portland, Oregon, as his Secretary for Transportation.

Mr. Landrieu will replace Mrs. Patricia Roberts Harris, who has taken over the Department of Health, Education and Welfare from Mr. Joseph Califano, sacked in last week's Cabinet reshuffle. Mr. Goldschmidt will take over from Mr. Brock Adams, who was also sacked.

Mr. Goldschmidt, 39, is an advocate of mass transport systems as a means of countering the energy crisis.

Mr. Landrieu has a strong reputation as being a progressive big city mayor—as well as an early Southern supporter of the civil rights movement—and his appointment was widely welcomed.

It was also rumoured that Mr. Jerry Apodaca, former Governor of New Mexico, would be named Secretary of Education, assuming Congress passes the Bill which would set up an Education Department.

## U.S. seeks Cambodia conference

BY DAVID TONGE

Thme U.S. is seeking to convene a conference to find a political solution to the conflict in Cambodia. The conference would be part of a wider diplomatic effort to reduce the tension in South-East Asia.

Mr. Cyrus Vance, the U.S. Secretary of State, told a Senate committee that discusions were continuing with parties inside and outside Cambodia. He warned that famine would probably add to the number of Cambodian refugees.

The Foreign Affairs Committee of the House of Representatives yesterday approved $400m in emergency funds for Indochina refugees, some of which will finance operations by the U.S. Seventh Fleet to pick up "boat people." The Senate is expected to co-operate rapidly with the House on this aid.

However, Mr. Vance said the U.S. had made no progress with its efforts to change Vietnamese policy on refugees. U.S. policy is thus also being directed to tackling the political problems underlying the flow of refugees.

Despite the tension between Hanoi and Washington, the Vietnamese are believed to argue that the U.S. is the key to any political settlement, not least because it wishes to end its isolation from the West and the trade embargoes it faces.

The problem is in finding a settlement in Cambodia which would satisfy three contradictory factors: Cambodian nationalist sentiment, Vietnam's insistence on a regime in Phnom Penh which does not threaten it, and the desire by such countries as Thailand to have a Cambodian regime which would act as a buffer between it and Vietnam. Although Prince Sihanouk is sometimes mentioned as a potential candidate for a compromise solution, many people would argue that he is yesterday's man—and that even the Chinese find him too unpredictable.

## German oil price criticised

WEST BERLIN — The Federal Cartel Office, West Germany's anti-monopoly bureau, yesterday condemned major oil companies for the speed and unanimity with which they raised petrol prices last week.

The price rise was not necessary, and raised doubts about whether the oil companies were really competing, the office said in a Press statement. But the Government does not plan to take the oil companies to court over the increase, a spokesman said.

West Germany's major oil companies raised their petrol prices by about 5 per cent last week, citing the higher official price set by the Organisation of the Petroleum Exporting Countries (OPEC).

The Cartel Office quickly used its powers to call in the books of BP, Esso, Shell and Texaco and to ask for an explanation of their costs, prices and profits.

After studying the books, the office said yesterday that there had been "no compelling necessity to calculate the replacement costs (of oil stocks) and immediately raise the sales price."

The statement added that it was doubtful whether "price rises could have been pushed through at the present moment and on this scale if competitive forces had been functioning."

Figures presented by the companies to justify the increase did not take sufficient account of the fall in the dollar and the fall of oil prices on the Rotterdam spot market, the office said. Reuter



INDIA'S FIRST COALITION GOVERNMENT

## Mrs. Gandhi holds key to Charan Singh's survival

BY K. K. SHARMA IN NEW DELHI

MR. CHARAN SINGH, who is to be sworn in as India's fifth Prime Minister today, comes to power in the country's first real coalition. In doing so he faces the difficult task of dealing with the country's major problems of unemployment and poverty by following compromise policies.

His coalition partners, such as those from Congress and Socialist parties, have let it be known that they will not support policies which go against their "fundamental" beliefs, whatever these may be.

The new Prime Minister, who is aged 76, will not find compromise easy, since by nature he is strong-willed and taciturn and is not easy to get along with. This is just one reason why observers feel that political instability will continue in India, despite the temporary resolvement of the present crisis.

Among the issues on which Mr. Charan Singh will have to compromise are his known sympathies for the farming community, to which he belongs.

As Deputy Prime Minister and Finance Minister in Mr. Morarji Desai's government, Mr. Charan Singh presented a highly inflationary budget last February which gave liberal concessions to the farmers and taxed the urban areas and the industrial sector heavily. This experimental budget is now acknowledged to have been disastrous, and Mr. Charan Singh's Finance Minister, whoever he might be, will have to undo the damage.

Fortunately for Mr. Charan Singh the problem of carrying the south with him is not so acute as it was for the Janata Government. The leadership is now in the key Hindi-speaking State of Uttar Pradesh, to which Mr. Charan Singh belongs. With the exception of Mr. Desai, all of India's Prime Ministers have come from Uttar Pradesh.

This could have posed a problem, since Mr. Charan Singh is the first Prime Minister who is not a national figure. Few in the south acknowledge him as a leader, but in his favour are his newly-established links with the Congress, which the Janata ousted in 1977.

These links mean that Mr. Charan Singh will have no problem in giving representation to the south in his Cabinet since the Congress draws its strength almost entirely from the southern states. Congress has in its ranks experienced men such as Mr. Y. B. Chavan and

Mrs. Indira Gandhi

Mr. C. Subramanium from the south. Of these, the former will probably be Deputy Prime Minister.

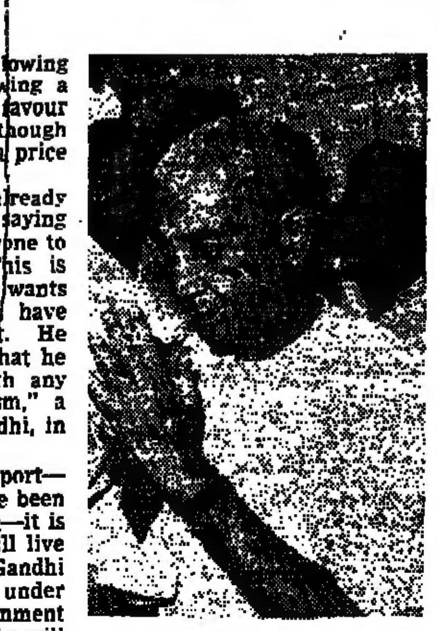
But his main asset lies in the support he will receive from the powerful Chief Minister of the southern State of Karnataka, Mr. Devraj Urs, who broke recently with Mrs. Indira Gandhi to join the Congress. Mr. Urs has a large following in the south and can swing a large segment there in favour of Mr. Charan Singh, although he is certain to extract a price for this.

Mr. Charan Singh has already made the right noises by saying that he will not force anyone to learn any language. This is what the anti-Hindi south wants to hear and southerners have applauded this statement. He has also said, however, that he will not compromise with any kind of "authoritanainism," a euphemism for Mrs. Gandhi, in India.

Since he has her support—and indeed could not have been Prime Minister without it—it is difficult to see how he will live up to this promise. Mrs. Gandhi can pull the carpet from under him and topple his government whenever she chooses, so he will have to acceed to some of her demands. These are sure to include the dropping of the court cases against herself, her son Sanjay and others.

Mr. Charan Singh's main base is his own state of Uttar Pradesh, for which he has been chief minister twice. Since his last term, in 1976, he has been taking the initiative to bring all non-Congress parties under a single flag and it is these efforts that have given him whatever national status he has.

This was not enough, however, to get him the Prime Ministership when the Janata swept to power in 1977, and with great reluctance he permitted Mr. Desai to be appointed. But since then he has been working towards the Premiership.



Mr. Charan Singh

He used the issue of the "dual membership" of the Hindu Nationalist, Jana Sangh, in the Janata and the militant Rashtriya Smyamsewak Sangh (RSS) to win the Premiership. Mr. Charan Singh will now have to live up to his new "anti-communal" image and, in doing so, will find Hindu revivalism a bigger problem than he imagined, especially as the well-disciplined RSS and its political wing, the Jana Sangh, are in the opposition and can work openly against him.

The toppling game that they will undoubtedly play will add to the instability that all observers expect to become chronic.

● Mr. Morarji Desai, India's ex-Prime Minister, said yesterday he plans to quit public life and is considering resigning even from the Lok Sabha (Lower House). He is also resigning as leader of the Janata Parliamentary Party, to be replaced by Mr. Jagjivan Ram. The Janata Parliamentary Party has lost its majority and will now constitute the Opposition.

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# Short tenancy plan to boost private renting

BY ELAINE WILLIAMS

PLANS FOR a new system of shorthold tenancies were announced by the Government yesterday in a move that might have far-reaching repercussions for private rented housing.

In the proposals, to be included in a Housing Bill expected to become law by next summer, landlords will be able to let accommodation on short, fixed-term tenancies during which tenants will have complete security of tenure.

Mr. John Stanley, Minister for Housing and Construction, said yesterday that at the end of a tenancy agreement, which would not apply to existing tenants, landlords would have "the certainty" of being able to regain possession if they wished. If both sides agreed, however, it would be easy for the tenancy agreement to continue.

Speaking in Nottingham at a national housing conference called by Shelter, the organisation for the homeless, he said that the Government did not accept that the decline of private renting created by previous restrictive legislation was "a matter of historical inevitability."

About half-a-million homes were lost to private renting under the last Government, he said. The intention now was to encourage more letting and slow the private sector's recent decline.

He outlined proposals to speed the Government's drive to raise the level of owner-occupation, and said that his intended to provide new town, housing association and council tenants with the right to shared ownership of their homes.

Shared ownership allows tenants to part-own and part-rent their homes with a view to total acquisition later on, although doubts have been expressed over the legality of options to buy granted by local authorities.

Mr. Stanley said that the validity of options would be put beyond doubt and added that the principle of shared ownership was to be extended to include existing local-authority homes as well as new properties.

"What we are proposing will allow tenants to commute as much of their rent as they can afford into mortgage payments and so help them achieve a stake in a growing capital asset," he aid.

The forthcoming Bill will also include a new system of housing subsidies and greater rights for tenants, including access to improvement grants in private and public-rented sectors, as well as the right for council tenants to take in lodgers.

# Lead curb would add to petrol consumption

Financial Times Reporter

REDUCTIONS IN the lead content of petrol would raise consumption by up to 5 per cent, according to a Department of Transport report published yesterday.

Extra costs would be between about £75m a year (if lead filters were fitted to exhaust systems) and about £200m a year (if completely lead-free petrol was used in the UK).

Lead emissions could soon exceed the 1971 level unless further measures are taken.

A variety of ways of making reductions were examined by the Working Party on Lead in Petrol, consisting of officials of the Departments of Transport, the Environment, Energy and Industry and representatives of the petroleum industry and motor manufacturers.

## Health

It was concluded that the changes needed to effect any major change would take five or more years.

Another working party is considering whether there are health grounds for further restricting emissions of lead from petrol or other sources. It is expected to report this year.

The UK's maximum permitted level of lead in petrol is 0.45 grammes a litre, established by Government regulation in January, 1978. This will drop to 0.40 grammes a litre from January, 1981, in accordance with an EEC directive.

West Germany has prescribed a lower maximum than this, and in the U.S. and Japan the permitted levels are much lower.

*Lead in Petrol, £1.70 plus 50p p&p, payable in advance from Department of Transport, Room C19/11, 2 Marsham Street, London SW1.*

# European air defence missile under study

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE UK is to study the possible development of a new ground-to-air guided missile with France and West Germany as a means of improving NATO air defence forces, in particular the UK's.

That is one of several new military aviation developments announced yesterday by Mr. Geoffrey Pattie, Minister of Defence for the RAF.

They include modifying numerous British Aerospace Hawk trainers for air combat by fitting them with Sidewinder air-to-air missiles; improving the effectiveness of Phantom fighters by improving their weapons-control systems; and forming an additional squadron of Lightning interceptors from reserve stocks.

All those developments are to enhance the RAF's ability to defend the UK and the western coast of Europe against enemy aircraft moving in "by the back door" from the Atlantic ocean. The UK is assigned that role by NATO.

From the mid-1980s the specialist Air Defence Variant (ADV) of the Anglo-West German-Italian Tornado multi-role combat aircraft will enter service with the RAF.

Out of 809 Tornado aircraft for the three countries, the UK is to get 385, of which 220 will be of the basic strike version and 165 will be ADVs.

But until the latter aircraft arrive, UK air defence capability will be thin, as a result of curbs in defence spending in recent years.

Since the Conservative Government took office, Mr. Francis Pym, Secretary for Defence, has been looking at means of improving that capability. The decisions now announced are the result of those studies.

The precise number of Hawks to be modified is not disclosed, but the RAF has 176 such aircraft on order, some of which are in service.

The modification will help British Aerospace in selling the Hawk overseas as a combat aircraft as well as a trainer.

The tripartite studies for the new ground-to-air missile are for the longer term. The weapon system is not expected to enter service until the early 1990s.

The French and West German armed forces are known to have a comparable requirement and the aim is to try to get a joint programme under way if possible. The Dynamics Group of British Aerospace is the prime UK contractor in the tripartite discussions.

More Home News on page 20

# World airline talks prolonged by snags

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TALKS by the world's major airlines in Geneva, aimed at an agreement on rises of 10 to 15 per cent in fares to meet soaring fuel costs, are now expected to continue well into next week.

The discussions, by more than 80 members of the International Air Transport Association, have proved much more difficult than originally expected. They have been in progress for nearly two weeks.

While tentative agreements on fare rises on some routes have been reached, there is considerable difference of view about rises on others, such as the North Atlantic, while cargo rates are also a problem.

Rises in fuel costs have varied widely in different parts of the world, though the overall effect has been to raise the airline industry's fuel bill so far this year by about $2 per cent to over $7bn, with fears of further rises.

Some airlines, especially in developing countries or popular tourist areas, are not anxious to raise fares substantially for fear of turning away traffic.

The Geneva meeting has been further complicated by the fact that only one U.S. airline, National, has attended. The others stayed away because of the hostile attitude of the Civil Aeronautics Board, governing body of U.S. civil aviation, to the whole concept of IATA fare-fixing conferences.

# State probe of Plessey allegations

By John Lloyd

THE GOVERNMENT is to investigate allegations of irregularities in handling grants to Plessey Telecommunications' plant at Edge Hill, Liverpool, over the past five years.

However, the Department of Industry said yesterday that it had "no grounds for believing that grants were improperly paid and no information to suggest that the company failed to comply with the terms of the conditions."

Sir Michael Havers, the Attorney General has confirmed, though, that police inquiries into alleged irregularities at the plant had been going on for some time, and that a report would shortly be sent to the Director of Public Prosecutions.

Both statements were made in the Commons in answer to questions by Mr. David Alton, Liberal MP for Liverpool, Edge Hill.

Mr. Alton had earlier said that workers from Plessey had reported allegations concerning misuse of Government funds earmarked for buying machinery.

Mr. Alton said last night that the answers "bear out what the workers at Plessey had been saying to me. They were worried that a number of matters had been laid at their feet which should not have been."

According to the Department of the Environment's figures, payments of regional development grants to Plessey Telecommunications at Liverpool had totalled £696,210 over the past five years, £434,248 for plant and machinery. No selective financial assistance had been given to the plant.

"The grants were made subject to conditions which required the company to notify the Department if the grant-aided assets were not brought into use or used on the premises, and which impose on the grantee an obligation to repay the grant in whole or in part if either of these events occur."

# Inland mail flights to be expanded

BY ELAINE WILLIAMS

THE POST OFFICE, whose whole future is under Government consideration, is seeking to improve its often criticised first-class mail system by using air transport.

It has launched an extensive air-mail service centred on Speke Airport, Liverpool, at a cost of £1.6m a year to speed delivery of letters, especially in areas at present poorly served.

The Post Office has contracted with four separate carriers to fly to Speke in the early hours for the mail to be interchanged. Liverpool was chosen as the hub of the service because it is roughly the same distance from the other airports in the system and is open 24 hours a day.

Mail flights will initially take in Bristol, Newcastle, Glasgow and Norwich and handle 140,000 letters every day. That will rise to 250,000 when the system becomes fully operational.

The Post Office says that the new airlift will increase the present night inland mail services by about a third.

It plans to extend the service to Cardiff, Peterborough, Gatwick, Bournemouth and Aberdeen and is considering a helicopter service between Peterborough and Liverpool.

The Post Office says that the new air links are intended to compensate for the lack of through rail connections by flying directly to Liverpool.

It will mean, for example, that a letter posted in Bristol in the evening now stands a very good chance of dropping through a letter-box in Glasgow before breakfast.

# China seeks UK farm expertise

Financial Times Reporter

A TEAM of UK agricultural experts was yesterday invited to China to advise upon the development of a 10,000-acre farm.

If the Chinese accept the British proposals for their showpiece farm, the agricultural industry could benefit from machinery, seeds and livestock orders.

The invitation was made by Mr. Huo Shilian, the Chinese Minister of Agriculture, during his week's visit to the UK with a delegation of 14 Ministers and senior agricultural sector officials.

The Government sees the invitation as a rare step as the Chinese do not usually commit themselves on the spot.

They told Mr. Peter Walker, the Agriculture Minister, who has also been invited to visit China, that they would like a delegation to visit the farm site before the end of October.

If British plans for the farmland—which suffers from severe environmental problems—are accepted, a contract could start next year and hopefully lead to further business.

# British Airways expects pleasure travel expansion

BY OUR AEROSPACE CORRESPONDENT

BRITISH AIRWAYS expects to carry more than 30m passengers a year by 1986, against the present 16m, despite fuel shortages and soaring fuel costs.

In a report to staff on BA's future plans, Mr. Roy Watts, chief executive, says most passengers will be travelling for pleasure.

"In 1950, one passenger in five on the world's airlines was travelling for pleasure," he says in British Airways News. "The other four were on business. By 1986, four passengers out of five will be travelling for pleasure.

"By the end of the century, if present trends continue, it will be nine out of ten."

Because of this swing to leisure travel, at lower fare levels, BA's revenue yield per passenger is falling.

"For each pound the average customer pays us now, he'll be paying up 71p, in real money terms, for travelling the same distance with us in 1986," says Mr. Watts.

He adds that future success will lie in increased productivity per employee. Studies have shown that other airlines, such as Trans World of the U.S., and Britannia and Laker Airways in the UK, are more productive per employee than BA itself.

"Our target in the whole airline, is to match the productivity of an airline like TWA (but remember they will not stand still) as well as to match the Lakers and Britannias in offering our new product for our new markets in the 1980s.

"This is a formidable task. Other airlines have achieved it. So can we."

# Half first-class post 'takes five days'

BY JOHN LLOYD

THE Post Office was accused by the Institute of Directors yesterday of "fooling the public" by advertising a first-class service when operating two second-class ones.

It responded unusually strongly. The claims, it said, "mislead the public." An institute survey was "useless and contributes nothing to the public dialogue about the postal service."

The survey, carried out among institute members in 26 UK locations, claims to show that more than half the first-class letters posted take more than five days to arrive.

Mr. Walter Goldsmith, the institute's director-general, said yesterday: "It is disgraceful that the Post Office, which has just announced record profits, should continue to fool the public that a first- and second-class service exist. They are both quite obviously second-class."

Mr. Goldsmith said that the business community needed, and was prepared to pay for, a first-class service guaranteeing overnight delivery and a cheap second-class service.

"We welcome the news that the Government is to investigate the monopoly held by the Post Office, and would encourage the introduction of competition to increase efficiency."

Last night the Post Office said that the survey had been conducted on June 13, "one day before the service was seriously disrupted by a Post Office Management Staffs Association strike and continuing sporadic industrial action by its members, which contributed to a serious mail backlog."

The corporation says that a guaranteed overnight service is impossible. However, it does have specialised delivery services available that meet the institute's demands.

"The current percentage of first-class mail delivered by the next working day after collection is 88 to 90 per cent, and for second-class mail the figure is over 90 per cent by the third working day after collection. Performance is still improving, though there are still delays in London."

# Irish-built Fiats to be imported

FIAT WILL import cars into the UK assembled in the Republic of Ireland as well as in Italy.

The move was decided when output in Italy of the Fiat 128 model became restricted after the introduction of the Strada last year.

The Fiat plant near Dublin, established since the 1930s, will supply the Irish and British markets, where the 128 is believed to be in demand beside the similarly sized Strada. Fiat envisages maximum sales of about 4,000 for the 128.

# Highlanders woo tourists

THE Scottish Highlands and Islands Development Board and the Scottish Tourist Board have launched a £20,000 advertising campaign to attract tourists.

The campaign, advertised in the national Press, emphasises that the Highlands can offer empty roads, full petrol tanks and no queues for car ferries to the islands.

It is intended to boost what has, so far, been a disappointing season.

# Radio revenue increases 32%

THE GROSS advertising revenue of independent local radio stations in June was £3.214m, bringing the total for the first six months of the year to £17.339m.

This compares with £13.118m for the same period last year, an increase of more than 32 per cent.

# Tories condemn misuse of Price Commission

BY IVOR OWEN

SOME PRICE increases in the pipeline before the Labour Government left office have still to be reflected in the Retail Price Index, Mrs. Sally Oppenheim, Minister for Trade and Consumer Affairs, told the Commons yesterday.

She joined Mr. Michael Neubert (C, Romford) in condemning Labour Ministers for using the Price Commission to mask the rising level of inflation in the run-up to the general election.

But Mrs. Oppenheim did not support allegations that investigations initiated by the Price Commission just before or during the election campaign were politically motivated.

Gas, electricity, beer, bread and oil prices had been singled out and many people who observed this particular coincidence had attributed political motives to the investigations.

"I hope they were wrong," said Mrs. Oppenheim.

Mrs. Oppenheim vigorously defended the decision to abolish the Price Commission. She insisted that consumers would be more effectively protected by the Government's competition policy.

Mr. Stuart Holland (Lab. Vauxhall) disputed this. He spoke of a "glaring anomaly" between the profits of big business in Britain and average profits.

Between 1968 and the beginning of 1977 the real profits in manufacturing industry as a whole had risen by only 7 per cent while those of the top 25 manufacturing companies rose by 70 per cent.

Mr. Holland claimed that this indicated a position of monopoly profit being charged by big business. Mrs. Oppenheim retorted that it demonstrated that his world, as an economic lecturer, was very different to that of the housewife with her shopping basket in the High Street.

"The High Street war among supermarkets causes more prices to come down than any Price Commission could do," she declared.

# Hint of further reduction in roads budget

By Ian Hargreaves

ROADS WILL in future be built only "where there are pressing problems" to justify them Mr. Norman Fowler, Transport Minister, said yesterday.

Mr. Fowler gave a broad hint that the already much reduced roads budget is likely to be trimmed further when public expenditure is reviewed later this summer.

"The roads programme will be reviewed in detail," he said and a White Paper published as soon as possible after the Cabinet's deliberations on public spending.

Trunk road spending was cut by £10m in the June Budget—its tenth cut in six years.

Mr. Fowler's statement was released partly to explain the absence of the normal annual roads White Paper, but also to clarify doubts expressed at recent public inquiries into road schemes.

He said that two reports in 1978 which highlighted the need for planners to consider environmental factors and the difficulty of forecasting traffic levels was now the basis of future action.

# Investors urged to make effort for NZ market

BY CHRISTOPHER PARKES

BRITISH INVESTORS should not be discouraged by apparently burdensome and complex procedures for projects in New Zealand, says the New Zealand High Commissioner, Mr. L. W. Gandar.

"I understand some bankers and potential investors have felt that the procedures were almost intended to impede or discourage overseas participation," he told the NZ-UK Chamber of Commerce and Industry in London yesterday.

"This was not the intention," he stressed. The rules governing new investments were meant only to ensure that projects were in the national interest as well as the commercial interest of outsiders.

To help dispel any doubts the Wellington administration had set up a special advice unit to guide potential investors through the procedures.

"I hope we shall see renewed interest on the part of British firms, in entering into partnership with New Zealand firms with an eye not only on the New Zealand market but also on the wider Pacific Basin market," he said.

Mr. Gandar warned UK traders not to neglect the New Zealand market.

# Heseltine to see Corby delegation

MR. MICHAEL HESELTINE, Environmental Secretary, has agreed to meet councillors and officers from Corby, Northants, next Wednesday to discuss the town's unemployment problems.

Nearly 2,500 people are out of work and 6,000 more jobs are threatened by the British Steel Corporation's plans to phase out steelmaking at their local plant, on economic grounds.

# House building costs rise by 8.7% in second quarter

BY ERIC SHORT

HOUSE BUILDING costs in the UK rose on average by 8.7 per cent in the second quarter of this year, and by 17.9 per cent in the past 11 months according to the House Rebuilding Cost Index published yesterday by the British Insurance Association.

The index, compiled by the Building Cost Information Service of the Royal Institution of Chartered Surveyors, deals with private dwellings only. It started at the end of July 1978 at 100, and has since been calculated for the end of each quarter. The June 1979 value was 117.9 compared with 108.5 for March.

The substantial second quarter rise was largely attributable to the industry wage agreement which came into effect last month. The cost of materials has continued to rise steadily. The institution says previous investigations have shown the rate of increase of costs differs little between various parts of the country.

One purpose of the index is to enable householders when renewing their household buildings insurance to calculate the new sum to cover. Thus a house insured for £25,000 last year should now be insured for about £29,500.

A more comprehensive guide to rebuilding costs by area, type and age of house is published annually by the association in A Guide to Buildings Insurance for the Home Owner.



# Heating workers win shorter week

BY ALAN PIKE, LABOUR CORRESPONDENT

WORKERS IN the heating and ventilating industry have won a two-hour cut in their working week. This is part of a long-term pay agreement to come into force next month and run for 2½ years.

The working week will drop from 40 to 38 hours, without loss of pay, when the second stage of the settlement comes into force in February. But overtime rates—to be increased at the same time—will not come into effect until employees have worked 40 hours at the normal hourly rate.

Pressure for reductions in the working week can be expected in many industries during the next wage round. Most employers are resisting such demands, but there is some precedent for the Heating and Ventilating Contractors' Association conceding the claim. Workers in the construction and plumbing industries, with whom heating and ventilating staff work closely, are already on shorter basic weeks.

Last year the heating and ventilating workers challenged the Labour Government's pay policy with a 47 per cent claim. They eventually settled for a special case package worth about 30 per cent.

Under phase one of this year's settlement, to come into effect next month, the hourly rate for a heating fitter will rise to 183p. This compares with a current rate of 142p plus an 11p hourly supplement representing an increase of either 30 or 19 per cent depending upon whether the supplement is taken into account.

The rate will rise again in February to 205p when phase two comes into effect. This rate will continue for a year.

The settlement's final phase will come into force in February 1981, and run for a further year. This element—which still has to be approved by the Sheet Metal Workers' Union executive — will be based on Retail Prices Index movements. The level of increase will not be determined until nearer the time.

One effect of the long-term settlement will be to move the industry's pay anniversary date from August to February.

# Local council staffs accept 9.6% rise

REPRESENTATIVES of nearly 500,000 town hall staffs accepted a pay offer yesterday worth nearly 9.6 per cent, with a warning of trouble ahead over attempts to cut their jobs.

At a National and Local Government Officers' Association delegate meeting in London they approved a deal, including a promised comparability study, on a show of hands, after rejecting a call for industrial action by 260,101 to 179,615 on a card vote.

An amendment calling for rejection and increasing industrial action was defeated after Mr. Mike Blick, chairman of the NALGO negotiations, said: "We see no viable alternative to acceptance."

"The only action that would stand a chance of changing hearts is an all-out strike, and we would not consider we have the support of our people for that. It could prove a disaster for our union."

Miss Irene Buxton, moving the amendment for the union's 15 per cent claim, said: "Who will believe we mean business in fighting cuts if we are not prepared to fight for our own pay claim?"

Mr. Blick, who said that to approve the amendment would be "supporting a war of attrition," foresaw trouble next year over public spending cuts.

The settlement, backdated to July 1, includes 9.4 per cent on salaries: consolidation of a supplementary payment of £312 a year, worth 0.18 per cent: and a comparability study that could provide further increases in January.

# Civil Service dispute goes to arbitration

BY PHILIP BASSETT, LABOUR STAFF

THE INSTITUTION of Professional Civil Servants has accepted that a pay dispute involving about 50,000 Civil Service technicians should be referred to two-stage arbitration.

Industrial action by the technicians that has disrupted dockyard, defence and other Government work is likely to be called off next week after the arbitration proposals have been put to a conference of Professional and Technology Group staff.

The union has agreed with the Civil Service Department that Mr. David Calcutt, QC, chairman of the Civil Service Arbitration Tribunal, should examine the union's assertion that past special factors have added an average of 14 per cent to the group's grades' settlement.

The "special factors" claim will be considered separately from the union's claim for increases of 36-47 per cent, which will go to the Arbitration Tribunal if the union and the Department fail to agree on the increases after the ruling on the principle.

The Government has offered increases of 15.5 to 24.1 per cent. It maintains that no special factors apply and that the technicians should be treated as other civil servants.

Although the union's national executive and its Professional and Technology executive have agreed to the arbitration proposals, the agreements were opposed in the executives.

Opposition is also expected from areas such as Devonport dockyard, Plymouth, that have been strong in their support for the union's selective strikes, overtime ban and other action throughout the dispute.

# Oil rig strike spreads

MORE NORTH SEA production platforms were hit yesterday as the catering workers' strike spread. One major oil operator has already started cutting staff levels at some installations.

Also yesterday, the normal catering crew change-over day, striking catering workers manned picket lines at Aberdeen airport as well as at Sumburgh heliport in Shetland. Several hundred men going offshore agreed to join the strike, according to picket leaders in Aberdeen.

Production platforms hit yesterday by the strike included Piper, Claymore, Forties Alpha, Forties Bravo, Heather and Brent C, and now 15 rigs and platforms are affected. The strike is expected to spread to nearly 40 over the weekend.

More than 400 men mainly engaged in production work are on board the Forties Alpha and Bravo, and yesterday BP said: "The position is changing and we are keeping it under review. If we do end up with no catering we will have to make some arrangements."

Shell confirmed last night that it was cutting staff at about half of its 15 North Sea installations affected by the strike. The company said the manning levels would allow for essential safety and continued drilling and production operations.

Yesterday, Mr. Bill Reid, Aberdeen TGWU area secretary, said that most companies will have to cut staff, keeping on only essential workers, so that production is not affected.

The unions have claimed £600 for two weeks offshore and two weeks onshore, rejecting the company's "final offer" of £440 made earlier this week. Mr. Reid added: "The ball is in their court."

# Clegg report out soon

THE REPORT of the Clegg comparability commission on public services pay is due to be published on Wednesday after being delivered yesterday to the Prime Minister.

The report, part of the terms which settled last winter's disputes involving public service manual workers, covers local authority, health service and university workers and ambulance staff. Half its award is due for payment from Wednesday and the rest from April next year.

# ACAS chairman

MR. JAMES PRIOR, Secretary of State for Employment, has reappointed Mr. James Mortimer chairman of the council of the Advisory, Conciliation and Arbitration Service until January 12, 1981.

# ICI scientists reject 12-18%

SCIENTISTS and engineers at ICI rejected a 12-18 per cent pay offer yesterday and called for further talks.

The 9,000 staff are members of the Association of Scientific Technical and Managerial Staffs and TASS, the white-collar section of the Amalgamated Union of Engineering Workers.

The offer, in line with a similar one being considered by the company's 21,000 clerical workers, puts forward talks in January to review impact of inflation on any deal.

# THE WEEK IN THE MARKETS

## Drifting quietly down

The equity market has begun its long summer snooze. Business is down to a trickle, but what there is seems to be all in one direction—the market is edging lower and lower. There has been no dramatic sell-off, but the FT 30-share Index has been quietly losing three points a day or so, and having opened the week above 470 it has closed below 460, within touching distance of the low point struck in February.

The continuing rise in sterling has brought more downward adjustment of profit forecasts for exporting companies, and the fall in the dollar has prompted aggressive action from some oil producing countries, leading to fears that OPEC as a whole may raise the oil price further in dollar terms. The corporate sector's woes have been given a firm statistical basis by the publication of figures showing that it had a borrowing requirement of £2½bn in the first quarter of the year.

Gilt-edged started the week on a jaunty note, and by Tuesday morning prices had risen to a level that made the new tap stock look relatively cheap. For some hours oversubscription was confidently expected, but the market began to weaken and the following morning some investors, deciding there was little chance of a short-term profit on the issue, did not, after all, put in their applications and only about half the stock was sold. This meant that the long end of the gilt-edged market was securely tapped, and prices began to drift lower. The gilt-edged market has had other worries to deal with: institutional liquidity is low at the moment—or heavily committed in advance, money market rates have been very high, a good two points above long gilt yields, and foreign investors seem to be treating sterling more and more as a short-term trading investment rather than buying bonds.

### Caution tells

The combination of very high interest rates and buoyant loan demand has whetted investors' appetites for clearing bank shares this year. Ahead of the latest batch of interim results the FT bank sector had risen by more than a fifth — roughly twice as fast as the market as a whole. However, the stock market was unimpressed by both the profits and the dividend increases, and over the past few days bank shares have fallen fairly sharply.

Both Lloyds and Barclays are down by roughly 10 per cent since the bank results season started. The Barclays share price, in particular, had been strong ahead of the results and was up by close to a third on the year. Barclays has reported above-average profit growth in recent years and the stock market was clearly expecting a repeat performance.

However, a 61 per cent increase in Barclays pre-tax profits was very much in line with the performance at Lloyds and considerably less impressive than National Westminster's 102 per cent growth. The latter has been dogged by heavy bad debt provision in the past and the absence of these, plus some accounting changes and a reduction in its hefty capital spending, helped it turn in an above-average performance. Nevertheless it is still some way off regaining its title as the most profitable UK clearing bank.

Finally, Midland Bank's 56 per cent increase in profits was not as high as most analysts had been expecting, but it has

**LONDON**

ONLOOKER

lost the benefit of its lucrative insurance broking operation which has been merged with Bland Payne.

Overall, the banks' interim performance was not all that disappointing — aggregate profits rose by 70 per cent. But it was the cautious comments about the second half plus the rather stingy attitude to dividend increases that really soured the share market this week.

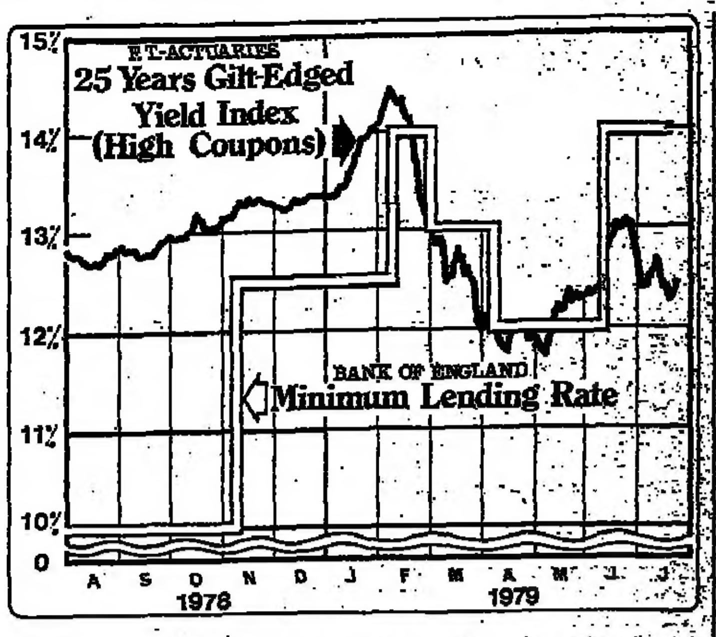
Barclays and Lloyds both increased their gross interim dividends by roughly 30 per cent, but stressed that this did not mean that the final would be raised by the same amount. Maybe they are just being cautious — both banks could easily double their dividends if they so wished.

### Davy and McKee

Whether or not the yearly profits from a large contracting group such as Davy International should be viewed in isolation is a moot point but almost static results during the week, like those published at the interim stage, were certainly not appreciated by the market.

Davy has shown a good deal of ringcraft in the takeover arena but at least two of its more notable acquisitions during recent years have had to ride the body blows of adverse trading conditions. The manufacturing, foundry and forging divisions of Head Wrightson have been badly affected as have the heavy crane making activities of Herbert Morris. The upshot was a £4.4m downturn in design and manufacturing profits which served to limit the overall advance to just £700,000 at £26.1m.

The $113m McKee Corporation acquisition, wholly involved on the contracting side, has gone rather better than expected. Against projections of a nil contribution at the pre-tax level, the new U.S. company was worth £1.4m for 4½ months after interest of £2.5m.




At the time, the merger with McKee was described as "without doubt the most important event of the year." Many of the ensuing reservations about McKee stemmed from a low level of order intake but Davy is now talking about a good work load in the U.S. which is apparently being reflected by other non-UK contracting subsidiaries whose contribution to profits last time slumped by £1.7m to £500,000.

The pro-forma balance sheet published when the McKee deal was completed showed loans totalling some £57m but these had been reduced to £32.8m at the March year end and it is clear that Davy had begun to make significant inroads into the repayment. At the previous financial year end, loans amounted to no more than £6.1m.

There appears to have been no undue strain on net working capital requirements for the increase in stocks and work-in-progress (less payments on account) and debtors is broadly matched by a near £80m rise in creditors so, with a further relaxtion of UK foreign exchange control coupled with sterling's pronounced strength relative to the dollar, the McKee debt repayment can be considered within far wider parameters.

### A currency warp

Take a basically depressed industry, highly geared, heavily dependent on exports and operating on slim margins. Add high interest rates, adverse exchange movements and climbing feed-stock prices—and you have a fair picture of the state of the British textile sector.

The market has not been slow to see the problems and consistently knocks a few points off the sector index every time the pound gains a cent or two. The average yield of over 10 per cent is clearly attractive and there is consequently no flood of selling orders, but investors are waiting for a clear sterling position and consumer demand pattern to emerge before taking the plunge.

The upturn, when it comes, could be a steep one. At the moment, though, matters are going from bad to worse. Against the Hong Kong dollar, for example, sterling has gained around 30 per cent over the past year which, for British companies generally more dependent on low-cost, low-margin goods than say the Germans, is debilitating. The impact on the value added element of textile goods cannot be made up by higher productivity and few of the industry majors are well enough placed financially at the moment to embark on radical restructuring operations.

Among the larger companies, Courtaulds is the target of most speculation. Yielding 14.4 per cent, the market has apparently ruled out the possibility of a higher dividend, despite the group's progressive dividend policy. Its cover is already low and unlike Tootal, for example, it cannot shift its feed-stock sources overseas for fear of making its domestic plants redundant. Carrington has a similar problem with its ICI link.

| TOP PERFORMING SECTORS IN FOUR WEEKS FROM JUNE 28 | |
|---|---|
| Wines and Spirits | +9.8 |
| Property | +5.1 |
| Engineering Contractors | +5.0 |
| Breweries | +3.7 |
| Hire Purchase | +2.3 |
| Food Retailing | +2.0 |
| All-Share Index | −2.4 |
| **THE WORST PERFORMERS** | |
| Textiles | −6.6 |
| Overseas Traders | −7.4 |
| Oils | −7.8 |
| Insurance Brokers | −8.2 |
| Food Manufacturing | −9.0 |
| Toys and Games | −9.4 |

## Sunny views

**NEW YORK**

JOHN WYLES

WITH BARBECUES and lawn parties the social norm at this time of the year, U.S. stock markets chose to forget sweltering temperatures and glutinous humidity and stage some festivities of their own this week. Naturally worries about the dollar and domestic inflation would have made an excess of carousing unseemly and also, of course, there had to be some pretext for a substantial increase in share prices.

Fortunately, Mr. Carter provided just this on Wednesday with his nomination of Mr. Paul Volcker as Chairman of the Federal Reserve Board to replace Mr. William Miller who, it will be recalled, is moving across to assume the mantle of Treasury Secretary. Now cynics might say for the stock market to be jubilant about Mr. Volcker is a bit like throwing a party to celebrate the arrival of your executioner. But, for the moment, that is an improper thought since the market's evident happiness was no more than a reflection of the popping of Champagne corks in the world's treasures and central banks when they learned of Mr. Volcker's appointment.

The market had already shown itself in a giggly mood on Tuesday, buoyed by a firming of the Dollar and dismissive of the Commerce Department report that durable goods orders in June had fallen a seasonally adjusted 1.1 per cent. It is no longer news to anyone that the economy has slipped into recession, nor the fact that the fate of the market over the next few months will depend on judgments about the depth and severity of that recession.

The consensus still is that it will be a mild one, but for some economists that is more article of faith than judgment. Much depends on what happens to the Dollar and how much Mr. Volcker's Fed is disposed to raise interest rates either out of need to support the currency on the foreign exchanges and/or to try to put a cap on inflation.

Interest rates are already at historically high levels and are still firmly lodged there. The commercial banks offered a harsh reminder which wiped some of the smile off the market's face yesterday when they raised prime rates from 11½ per cent to 11¾ per cent. Now the shrewd investor, and this is how the institutions like to think of themselves, is not going to make a greater commitment to equities until he has got a firm grasp of where the economy and interest rates are going.

Hence the fact that institutional equity holdings remain historically low and the commitments of new cash very modest. But that does not prevent them appreciating that the stock market does resemble a summer garden sale and that substantial bargains are available.

The Dow Jones Industrial Average, after all is selling on a multiple of 6.7 times the constituent companies' earnings for the year ending March 31. A year ago the comparable multiple was 9.3 which means that current prices compare very favourably bearing in mind the stream of good second quarter earnings results published this week, particularly from the oil companies.

To some extent this helps explain the market's very healthy complexion at the moment. After a slow start on Monday, trading volume figures have been close to 30m shares a day or above all week and each day there have been an impressive number of stocks hitting new 12 month highs. The 72 high kickers on Wednesday came from a variety of groups including chemicals, banks, oil and gas, electronics and broadcasting.

Some airline stocks, also have been heavily traded because of "special situations." Pan American World Airways has brought more than 2m shares of National Airlines in the market this week and has itself been substantially traded. Both Continental Airlines and Western Airlines, which have been refused regulatory permission to merge, have been bought in large numbers, raising speculation that Continental may be somebody's takeover target. For all of the gloom outside, the stock market still has a good supply of cheeky chappies to supply amusing summertime entertainment.

| CLOSING INDICES | | Change |
|---|---|---|
| Monday | 825.51 | −2.56 |
| Tuesday | 829.78 | +4.27 |
| Wednesday | 839.51 | +9.73 |
| Thursday | 839.76 | +0.25 |
| Friday | 839.76 | Unchngd. |

Your weekend £: Austria 30.50, Belgium 69.00, France 9.70, Italy 1,855, Greece 81.00, Spain 150.75, Switzerland 3.76, U.S. 2.315. Source Thomas Cook.

## MARKET HIGHLIGHTS OF THE WEEK

| | Price Y'day | Change on Week | 1979 High | 1979 Low | |
|---|---|---|---|---|---|
| Ind. Ord. Index | 458.2 | −13.0 | 558.6 | 446.1 | Uncertain economic outlook |
| Barclays Bank | 425 | −45 | 514 | 360 | Int. dividend disappoints |
| Caledonian Assoc. Cinemas | 675 | +75 | 675 | 485 | Speculative demand |
| Charter Cons. | 125 | − 5 | 175 | 122 | Adverse Press comment |
| Clifford's Dairies A | 74 | − 6 | 80 | 48 | Fading bid hopes |
| Gordon (Luis) | 45 | + 8 | 45 | 22 | Speculative demand |
| Group Lotus | 34 | − 5 | 52 | 34 | Pft.-taking after results |
| Hensher A | 59 | + 7 | 60 | 27 | Bid hopes |
| Ingram (Harold | 45 | + 8 | 50 | 36 | Good annual results |
| Kitchen Queen | 55 | − 5½ | 60½ | 28 | ICFC sells its 6.7% stake |
| Ladbroke | 169 | −11 | 243 | 167 | Fading bid hopes |
| Lawrie Plantation | 412 | +14 | 412 | 335 | £3.8m sale of Jokai |
| Lloyds Bank | 295 | −35 | 360 | 272 | Int. dividend disappoints |
| MFI Furniture | 152 | −18 | 178 | 54 | 5½m shares placed |
| Newman Inds. | 74 | −14 | 99 | 66 | Chairman's share sale |
| Pacific Copper | 82 | + 9 | 120 | 58 | Speculative buying |
| Reardon Smith A | 74 | −12 | 88 | 32½ | Profit-taking |
| Rivington Reed | 22 | − 7 | 72 | 22 | Chairman's dividend warning |
| Sanderson Kayser | 78 | +28 | 78 | 50 | Agreed bid from GEI Int. |
| Staveley Inds. | 246 | −40 | 352 | 246 | First-half profits warning |

## U.K. INDICES

| Average week to | July 27 | July 20 | July 13 |
|---|---|---|---|
| **FINANCIAL TIMES** | | | |
| Govt. Secs. | 73.47 | 73.18 | 72.89 |
| Fixed Interest | 75.05 | 74.46 | 74.62 |
| Indust. Ord. | 463.6 | 472.8 | 469.9 |
| Gold Mines | 160.2 | 164.9 | 162.4 |
| Do. (Ex $ pm) | 148.6 | 152.8 | 148.9 |
| T'tle bargains | 16,004 | 16,053 | 16,009 |
| **FT ACTUARIES** | | | |
| Capital Gds. | 240.08 | 242.16 | 240.84 |
| Consumer (Durable) | 226.25 | 227.39 | 225.58 |
| Cons. (Non-Durable) | 231.01 | 233.50 | 232.24 |
| Inds. Group | 231.25 | 234.05 | 232.69 |
| 500-Share | 264.81 | 268.41 | 269.04 |
| Financial Gp. | 185.80 | 191.74 | 190.05 |
| All-Share | 241.71 | 245.82 | 246.17 |
| Red. Debs. | 58.50 | 57.83 | 57.50 |

## The man who stood under the clock

FOR QUITE a few years he could be found standing underneath the clock in Throgmorton Street, opposite the Stock Exchange door which most of the dealers in mining shares used in those days. He was a realist, if ever there was one.

He never let his heart rule his head and perhaps that is why he made a great deal of money investing in mining shares, but never seemed to enjoy the fruits of his labours. I ran into him again this week and found him to be as much a realist as ever and possibly even more irascible than in the old days.

I had not got so far as to ask what was the trouble with the world these days when he said: "There's too much talk, too little action and too much power in the hands of minorities which are either selfish or stupid, or both."

Before I had quite digested this onslaught he added, "Look at the energy crisis. American cars still guzzle petrol at half the price it should be, we tinker with windmills and solar panels on council estates, when everybody knows that we should be going all out to provide safe nuclear power."

His anger on the last point was not unconnected with the fact that he is a shareholder in Rio Tinto-Zinc. The latter's Canadian subsidiary Rio Algom faces the possible loss of a 20-year contract to supply America's Tennessee Valley Authority with 17m lb of uranium oxide worth possibly $770m (£332m).

This arises out of the Westinghouse Electric Corporation anti-trust litigation against RTZ and 28 other international producers of uranium. The news comes at a time when, according to London's Uranium Institute, uranium supply capacity is expected to exceed demand throughout the next decade.

My friend was not unduly worried, however, by the possible effect of this on RTZ, at least in the long term, because of the growth prospects of the group's many other mining activities. "Major mining houses," he said, "with existing mines in production and proven deposits awaiting development have to be in a long-term upward trend.

"When we have finally come to terms with the energy crisis—and we will—there will be a big growth in demand for metals," he pointed out, adding, "it will outstrip existing capacity, but while new capacity should be in preparation in the developing countries there is still too much talk and too little action in tackling the problem of protecting mining capital in those areas."

His main concern for RTZ in the near term was the adverse impact on the U.K. company's earnings of the strength of the pound. Most of the profits are earned overseas and there is thus an exchange loss when they are translated into sterling.

"Mind you," he said, between puffs of cigar smoke, "the cost of living in this country would be even more ruinous if we did not have a strong pound to dampen the rise in the cost of our massive imports.

"Look at the rise in the cost

**MINING**

KENNETH MARSTON

of metals, for example, that took place in the first half of this year before the recent easing." "I know," I said, getting a word in edgeways, "this week I have been reporting a steady stream of boosted first half profits from the Canadian and U.S. mines which, unlike RTZ, have gained from the weakness in their currencies."

Among these results, America's Amax has made $167.6m in the first half, more than the $160m total earned in 1978. Asarco has turned in a first half profit of $105.7m against a loss of $8.9m in the same period of last year. In Canada, Falconbridge Nickel's first half earnings have climbed to C$56.2m (£20.8m) whereas there was a loss of more than C$500,000 a year ago.

"Who says that there's no money in mining?" I remarked impulsively. It was a mistake. My friend fixed me with a look that wavered between pity and disgust. "The Australian Graduate School of Management, that's who," he snorted.

He softened. "They didn't exactly say there was no money in mining, but after taking into account the return in dividends, capital gains and the value of new issues of every share listed in the Sydney mining board from early-1958 to early-1979 they found that the average return worked out at only 11.9 per cent a year.

"This was virtually the same return offered by the Australian industrial equities which are reckoned to have only about half the risk element attaching to the mining stocks." "Of course," he added, gazing above my head, "the study was commissioned by Conzinc Riotinto of Australia, but it does show the unfairness and undesirability of extra taxation of mining profits when metal prices are in an upswing."

"Does it also mean," I inquired mischievously, "that investment in mining shares is not worth the candle?" Had he been one of these amazingly self-made men who rise from poverty-stricken obscurity he might have replied that investment never done him no harm.

Instead, he replied quietly: "You know perfectly well, as I have long taught you, that timing is the essence of success in all portfolio investment. Maybe a handful of shares, such as De Beers, would have served the man who bought them to put away for his grandchildren.

"But for all the others and especially the mining issues, a successful investor must always be prepared to move in and out of the market. He must keep an eye to the trends as they wax and wane and he must also be man enough to admit he was wrong and cut a loss when he makes a misjudgment.

"You don't need a crystal ball to operate successfully, providing you are not fool enough to try to get in at the bottom and out at the top; if you are greedy, you will almost certainly come a cropper."

"Do these theories explain why nobody seems to want to touch South African gold shares at the moment, despite the continued strength of the bullion price?" I asked.

"Possibly," he replied. "The rise in the bullion price has been in progress for quite a while now and most observers feel that it is bouncing along the top for the time being. It has risen against the weakness of the U.S. dollar and, again, nobody expects the dollar to weaken for ever.

"A recovery in that currency even if temporary, would bring an immediate reaction in the vulnerable price of gold and in the sharemarket. And it should also be borne in mind that the sharemarket may again be glancing nervously at the political situation in Rhodesia.

"So it may be better to be cautious than clever for a while, despite the continued high earnings of the mines. "I suppose," I said, "that there is not much point in watching a share profit dwindle if there may be another buying opportunity later." "Precisely," he said, as he climbed into the waiting taxi-cab.

## TIN OUTPUTS COMPARED

| | 1979 June. tonnes | 1979 May. tonnes | Total (months) to date tonnes | | Same period year previous tonnes |
|---|---|---|---|---|---|
| Amal. of Nigeria (tin) | ¶ | 119 | 285 | (2) | 248 |
| Amal. of Nigeria (columbite) | ¶ | 8 | 27 | (2) | 64 |
| Aokam | 93 | 95 | 1,439 | (12) | 1,563 |
| Ayer Hitam | 132 | 284 | 2,291 | (12) | 1,794 |
| Berjuntai | 303 | 323 | 626 | (2) | 721 |
| Bisichi Jantar (tin) | ¶ | ¶ | 319¾ | (11) | 362 |
| Bisichi Jantar (columbite) | ¶ | ¶ | 301 | (11) | 367¾ |
| CRM Sri Timah | 87¼ | 140 | 466¼ | (6) | 749 |
| Ex Lands Nigeria | ¶ | ¶ | 102 | (4) | 108 |
| Geevor‡ | 92 | 96 | 278 | (3) | 301 |
| Gold and Base (tin) | ¶ | 25 | 127 | (5) | 127 |
| Gopeng | 159 | 154¼ | 1,441½ | (9) | 1,247¾ |
| Idris | 22½ | 23¾ | 136¾ | (6) | 103¾ |
| Kamunting | 46 | 54 | 160 | (3) | 106 |
| Killinghall | 65 | 51 | 350¾ | (9) | 466 |
| Kinta Kellas | 29 | 29½ | 89¾ | (3) | 123 |
| Kuala Kampar | 23 | 30 | 63 | (3) | 58 |
| Lower Perak | 15 | 16 | 31 | (2) | 53 |
| Malayan | 304 | 338 | 3,268 | (12) | 2,568 |
| Pahang | 107 | 137 | 1,236 | (11) | 1,595 |
| Pengkalen | 43¾ | 30¼ | 145¼ | (9) | 78¾ |
| Petaling | 175½ | 56½ | 1,011 | (8) | 955 |
| Rahman | 62 | 72 | 837 | (12) | 877¾ |
| St. Piran—Far East | 14 | nil | 14 | (4) | 64 |
| St. Piran—UK (South Crofty) | 145 | 204 | 554 | (3) | 600 |
| St. Piran—Thailand | 90 | 76 | 241 | (3) | 261 |
| Southern Kinta | 125 | 146 | 422 | (3) | 408 |
| Southern Malayan | 181 | 185 | 2,328 | (12) | 1,978 |
| Sungei Besi | 168 | 169 | 494 | (3) | 456 |
| Tanjong | 19¼ | 18 | 89¾ | (6) | 97¼ |
| Tongkah Harbour | 36 | 47 | 605 | (12) | 437 |
| Tronoh | 193 | 190 | 1,056 | (6) | 1,230 |

‡ Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.

## Decline of the small investor

**TOKYO**

YOKO SHIBATA

THE NUMBER of individual shareholders in Japanese securities continued to decline in the 1978-79 fiscal year, to reach a record low at the end of March, while the number of institutional shareholders reached an all-time high, according to the National Securities Transaction Council.

The council said in its survey on 1,707 listed companies at the end of March, that individual shareholders stood at 19.06m, down 310,000 from a year earlier, and the volume of shares held by individual shareowners was reduced for the first time in six years, to 61.4bn, down 400m.

As a result, the ratio of individual share ownership to the total number of outstanding shares dipped to a record low, of 30.9 per cent, down 1.2 per cent from the year earlier level.

The decline of individual share ownership was attributed to a variety of factors. The number of individual shareholders at 32 de-listed companies, such as Hokkaido Colliery and Steamship and Chisso, was relatively high for example. At the same time capital increases by allotting shares for business corporations as a third party moved on a high level.

The number of shares held by institutional investors rose 6.6bn to 137.2bn. As a result, the ratio of institutional shareownership to the total number of outstanding shares advanced to 68.9 per cent.

In particular, the ratio of financial institution's share ownership gained by 1.0 per cent point to 38.8 per cent.

The liquidity of institutional investors gave an impetus to a rally in stocks during the year, the Council explained. The flow of excess money from institutional investors such as industrial and business corporations and investment trusts, carried the Y6,000 mark of the Nikkei-Dow Jones Stock Index through the 6,000 mark for the first time last December.

According to the Tokyo Stock Exchange, the composition of shareholders in fiscal 1978 was featured by: "Net selling by individuals and net buying by institutions." Net buying by financial institutions and business corporations were 1.4bn shares and 400m shares respectively, while individual net selling was 1,263m shares.

## The banks slip a little

**INDIA**

R. C. MURPHY

SEVEN OUT of 12 foreign banks operating in India have shown reduced profits for 1978. Three of them, accounting for the majority of branches among foreign banks in India (because of British connection at some stage or the other), are the worst affected. Profits of Chartered Bank, which is part of Standard Chartered Bank group, have slumped from Rs 6.39m in 1977 to Rs 1m in 1978. Mercantile Bank, now a subsidiary of Hongkong and Shanghai Banking Corporation has witnessed its profits almost halved from Rs 6.28m in 1977 to Rs 3.39m in 1978. Grindlays Bank performed a shade better with profits declining from Rs 26.11m in 1977 to Rs 25.57m in 1978.

On the other hand Citibank turned out better results, with profits quadrupling to Rs 4.32m in 1978 from Rs 1.02m in 1977. Banque Nationale de Paris registering a sharp rise from Rs 0.19m in 1977 to Rs 3.16m in 1978. American Express came into black in 1978 with a profit of Rs 4.34m in 1978 (nil in 1977). The Indian branches of Algemene Bank Nederland N.V. gave a return of Rs 6.04m in 1978 (Rs 3.55m in 1977).

The downtrend in profits of major foreign banks is attributed to three factors. The Reserve Bank, the central bank of the country, switched to cheap money in 1978, without bringing about a corresponding reduction in the cost of funds. Bank rate at nine per cent remained unchanged, but the ceiling on interest rates of commercial banks for working capital loans was lowered to 15 per cent from 16.5 per cent. Also on certain types of term loans, interest was lowered to 15 per cent from 16.5 per cent.

On other term loans benefiting the farmer and small-scale industry interest rates were also reduced to pep up investment. A seven per cent tax imposed on interest earnings imposed in 1974 as a fiscal measure, was abolished in March 1978 and banks were expected to pass on the beneficial impact on their incomes to their customers by appropriate reductions in lending rates.

In order to compensate banks for the loss of income resulting from a lowering of the ceiling rate on advances, the interest rates on very long (3-5 years) and very short-term (1-6 months) deposits were reduced.

The Reserve Bank's decision to ask foreign banks to participate in a consortium of banks for financing the government's plans to procure cereals (mainly wheat, rice and some coarse grains) for bufferstocking and price support operations, has restricted the scope for remunerative lending.

The long-term cause affecting profitability of foreign banks is curbs on their geographical expansion. Their requests for permission to establish more branches have been turned down by the Reserve Bank. Since July, 1969, when 14 major Indian banks were nationalised, the policy has been not to allow the existing foreign banks to expand or to allow new ones to come in.

The Government's policy of restricting foreign banks to a couple of metropolitan cities stems from its conviction that they have no role to play in the economy, excepting financing foreign trade and, to some extent, in transfer of technology. The cornerstone of the future policy is reciprocity of facilities for Indian banks opening branches abroad.

## Interest in Sterling

**BAHRAIN**

MARY FRINGS

FOREIGN EXCHANGE turnover in the Bahrain market is estimated roughly to have doubled in the first half of this year, compared with the first six months of 1978, to reach U.S.$3bn a week—and to have risen to around $4bn a week in May and June.

The estimate is based on monthly statistics gathered since January from the six money-brokers operating in Bahrain. Last year, the only mid-year indication of the volume of exchange business was provided by a spot check on bonds dealing for the month of March.

Since the brokers do not see all the business, the Bahrain Monetary Agency has used what it calls "a fairly flexible conversion factor" to arrive at a figure for total turnover.

All exchanges are measured by the U.S. dollar as the common denominator. It is worth noting that the Saudi Riyal comprised approximately half the exchange market, the next most active currency was Sterling, with Kuwait Dinars and German Marks some way behind. Some increase has also been seen in Japanese Yen trading.

Although the import trade of the Gulf provides the underlying flow of business, the volume of dealing in any one currency in a particular month is much influenced by exchange market conditions. There was, for example, a noticeable increase in sterling operations in May and again more recently. Brokers usually see more of the action whenever the market is volatile but the number of banks prepared to make a dealing price in a wide range of currencies is probably limited to 10 or 12. Other banks tend to react only to their customers' requirements.

It is not thought that speculative activity plays a significant role in Bahrain, since branches of international banks are strictly controlled by their head offices in respect of position taking.

The large volume of trade in the Gulf which is denominated and paid for in U.S. dollars does not pass through the international exchange market as the dollars are supplied by the various central banks against local currencies.

# FINANCE AND THE FAMILY

## Pensions for self-employed

BY OUR LEGAL STAFF

**Could you give me some information about pension schemes for self-employed and workers? My son-in-law and daughter operate a craft pottery here and have one full time employee. Could you recommend some literature on the subject?**

It is possible to operate a pension scheme for only one person. Presumably your daughter and son-in-law also wish to provide retirement pensions for themselves. If they turn their business into a limited liability company (approximately cost £100) then they can be treated as director/employees and appropriate sums can be extracted from the gross profits of the business (i.e., before tax) to build up funds for these three people and for any further employees who may be taken on. If they are not operating as a limited company and do not wish to convert then they would have to operate a one man (women) pension scheme *for the employee and* buy retirement annuities as self-employed persons themselves (generally speaking not as good as being in the pension scheme).

For further literature we suggest that you write to the Company Pensions Information Centre, 700 Park Lane, London, W.1.

### No claim on property

**I am thinking of having a man *move in with me, and if* things work out, we shall marry. *But if* we do not and later separate, could he have any claim on any of the contents of my house?**

The man would have no claim *on your* property, but it would be wise to have a careful record made *of the items* which are your property at the outset of the co-habitation, in order that there should be no dispute in future as to whether any items were acquired later and possibly out of joint monies or *out of* his own funds.

### Grazing a paddock

**I have a small paddock and as I do not use it, I am proposing to allow a local farmer *to use it for grazing.* Are there any legal safeguards that I should take?**

It is essential that you limit the farmer's use of the field to *grazing (or mowing) only,* and that the letting is for a period less than one year. Any new or renewed letting in the following year, must also be for *a period of less than one year,* and preferably after an interval, *however short, after the end of* the previous letting.

### Wife's earnings taxation

**A husband and wife jointly earning between £7,000 and £8,000 per annum were advised last year to have separate assessments for income tax purposes. Under the new budget proposals would it now be in their interest to revert to a joint assessment?**

Presumably you are talking about an election for separate taxation of your wife's earnings (under section 23 of the Finance Act 1971 as amended), and not (or not solely) about an election for separate assessment of your wife's income (under section *38 of the Income and* Corporation Taxes Act 1970).

That being so, the answer is probably yes, but we should need full details of your respective incomes and deductions, etc., to say for sure. If you cannot work out the position for 1978-79 and the likely position for 1979-80 (and you cannot get *any help from the person who* advised you last year), you may care to come back to us—with as many facts and figures for each of the two years as possible.

### Shares in a house

**My wife and I propose to provide capital—perhaps 50 per cent of the purchase price—to our daughter for the purchase of a cottage to be taken in *joint names. We propose* thereafter annually to make her a gift of capital—perhaps £2,000 to enable her over a term to acquire our interest. We recall that very recently—you advised that the interest *of several parties could be* expressed in shares—28? or so. *Have we* understood you correctly?**

It is correct that you can create in equity a division into any number of shares. Thus if the property is conveyed or declared *(in writing) to be held* on trust for sale, the proceeds of sale may be divided into any convenient number of shares, i.e. 10, 20, 100, 1,000 or any number which suits your purposes.

### Central heating and rates

**Referring to your reply under Central Heating and Rates *(June 2), if property* which has been improved changes hands, can it then be reassessed for rating purposes?**

Regardless of whether the property changes hands, the postponement *of rating revaluation* means an automatic extension of the period during which property cannot be reassessed by reason only of the installation of central heating. But this latter provision does not apply to improvements in general.

### Under and over insurance

**I have *some* controlled cottage properties which an agent suggests I might offer to the council for £400 each, but which he says, to meet the British Insurance Associations method of calculating the value for insurance purposes, should be insured for £8,000 or more each. *Would the insurance* company in the event of loss take the amount of insurance as correct, or would they say the cottages were vastly over insured and only pay in proportion? In the event *of a total loss, is the landlord* responsible for rehousing the tenants? If the BIA's recommendations are not carried out, would the insurance company contend *the property* was under insured?**

The insurance value of a house is normally the cost of its reinstatement, so that the proposed *cover may well be suitable.* However, the contract of insurance is one of indemnity only; so that you would only be paid out a sum equivalent *to your actual loss, up to the* limit of the insured value. *Hence you would* probably only be able to recover £400 or thereabouts for a total loss. You could stipulate for replacement value in any event, but that would *probably raise* the premium. The landlord would not have to rehouse his tenants in the event of a total loss not caused by the landlord's *negligence or deliberate act.* The insurers may always seek to *reduce their liability on a partial* loss if the total sum insured is less than the full value.

### Available home

**I now live abroad but, some time after April 5, 1980, I propose to take up residence in the UK. I now have an opportunity to buy a house (unfurnished). If I did, would *it be regarded as available* accommodation and so make me liable to UK tax?**

If the vendor is prepared to wait, the counsel of perfection is that you should not complete the purchase before the end of the tax year.

However, it is most unlikely *that any body of appeal commissioners* would regard an empty house as a place of abode maintained for your use (provided that you do not actually use it, of course).

### Access right

**Access to a plot of land I *own* is through the matrimonial home from which I was evicted, though I understand that an injunction *not to annoy or molest my* wife was a matter for a judge. *Is this the case?* What right of access do I have to the land?**

If the injunction was granted by the registrar, you have a right of appeal to the judge. However, in view of your need to secure provision for access to the land your best course would be to apply to discharge the injunction on your offering an undertaking to *the court which would* prevent the mischief of which *your wife complains.* You would be wise to consult a solicitor.

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

## Control of premiums and market forces

INSURANCE

JOHN PHILIP

ALTHOUGH the Government's Competition Bill has not made the progress through the Commons that was originally planned, the overall timetable for its enactment is substan*tially unaffected, so that in the* late autumn not only will the Price Commission be formally abolished, but legislation associated with price control will be *repealed.*

Since 1973 some insurance premiums have been *controlled,* not by the Price Commission, but by the Department of Trade, by powers given under the 1973 Counter Inflation Act. So the DOT will now stop vetting premium rating increases *and insurers wil be free to raise* their motor, household and other similarly published rates without either giving prior notification to the DOT or providing mathematical justification by formulae agreed between the Department and insurers.

*In fact the abolition of* insurance premium control need cause no anxieties. *Only for a* few months from its introduction in 1973 was control stringently exercised, and over the six year period since, the DOT has continually relaxed its degree of supervision: and even *in stricter days, in the mid-70's,* individual insurers had known DOT officials to ask the question "do you really think your proposed increase is enough?"

This kind of question was asked because the DOT officials *dealing with premium rating* increases were also concerned *with solvency—the ability of the* individual insurance company to meet its commitments. In agreeing increases they were very conscious of the failures *of motor* insurance companies around 1970, failures which for *the most part were due to over* optimistic assessment of claims liabilities coupled with consequent under-pricing.

Indeed one of the reasons why in 1973 the DOT and not the Price Commission was given *the power to control insurance* premiums was the close relationship between premiums and solvency. Neither Conservative nor Labour governments wished to put any individual insurance company's viability at risk by *incurring the possibility of conflict* between DOT and the Price Commission.

The philosophical justification for the abolition of price control is that competition will prevent price rises. The generality of this proposition may be *doubted* where there are few suppliers of particular goods or services, but in the British insurance market there is plenty of com*petition for virtually all classes* of business. Indeed many insurers say that there is too much unreal competition, and that much commercial and domestic business is now written at premiums that allow virtually no hope of underwriting profit and provide insurers only with *the advantage of investment* income or cash flow.

Watching, for example, individual insurers' announcements of private car premium rating increases, which are coming thick and fast at the *present time, you might think* that there is a deal of evidence that insurers are making the most of present opportunities. True most motor insurers are making or reckoning on making a second rating increase in the current 12 *months,* but inquiry will show that, for the particular *risk,* there *is still* a wide price range between cheapest and dearest, as much as 20 per cent either side of the middle price. This means that for the individual motorist the dearest insurer can be charging half as *much again as his cheapest* competitor.

*Moreover,* because insurers do not change their prices at the same time but when the needs of their individual accounts dictate those, insurers *currently among the most expensive* can become often in six months and *certainly* in a full year, much more competitive. Private motor insurance premium league tables present a constantly changing pattern, *and there is ample opportunity* for the average motorist, or better than average motorist, to shop around at each renewal among the score or more of major company motor insurers and the many Lloyds' under*writers who charge widely varying* premiums for much the same cover—but, of course, for not necessarily the same quality of service.

Competition has been good and remains good for the house*holder as well as the motorist.* It is close on nine years since insurers abandoned *the house*hold tariff, and for most of that period the home policyholder has enjoyed increasingly wide cover without suffering *increases in premium* rates (the fact that we are all paying much more for household insurance than in 1970 stems from the effect of inflation on sums insured). It *is* only in the last year or so that insurers have *begun to raise premium rates* for contents cover, specifically to contain the ever increasing cost of crime in urban and suburban areas. But, for every insurer who is seeking around 40p or 50p per cent on contents *in high risk areas there* is another still looking for 25p per cent.

The standard rate for buildings insurance still remains at 12½p *per cent or sometimes less,* even though many individual insurers have been anxious to get at least another 2½ per cent to *deal* with the now known potential of subsidence and the haphazard but continual effect of winter and weather. But, in the event, justifiable increases in household building rates have not been made, not be*cause of the intervention of the* DOT, but because those insurers who wanted increases reckoned that they could lose more by becoming uncompetitive on rate than in fact they were losing at their current *rates.*

Because the DOT's powers in *this field are soon to be abol*ished there is no reason to think that the household insurance picture will be very different in the months to come—if the long predicted, long expected rating changes are introduced for *buildings insurances, for compe*titive reasons they will be kept *as low as possible* and probably related to improvements in cover.

Throughout the personal insurance scene—life, disable*ment, permanent* health, the competitive picture is the same, with many insurers offering a choice of contracts and prices. As in the last six years in the non-motor, non-household field the DOT's control has been conspicuous by its virtual absence, so there is no reason to think that the abolition of that control will make any difference to these aspects of personal insurances.

## The many questions of interest

TAXATION

DAVID WAINMAN

*ONE OF the most confusing* and confused pieces of draftsmanship in the taxing acts is that relating to the deductibility of interest on personal borrowings. *It is relatively* easy to unravel the provisions relating to loans *of up to £25,000 for purchase* or improvement of the taxpayer's only or main residence, this being the principal acceptable category of interest. But there are other purposes for which interest can still be tax-deductible.

To understand how those others are now embodied into the legislation, and the extent to which a deduction is avail*able, one needs to understand* something of the history. Up to April 5, 1969, there had been no restrictions, but for the next three years (from then to April 5, 1972) deductibility was permitted only on interest on *loans* raised for six specified purposes.

We do not need to *concern* ourselves too much with the draftsman's definition of those purposes: each has been transformed in later legislation at which we will look in a moment. But there is one particular way in which *three of these classes* have had preserved for them a niche in the next historical phase.

From April 6, 1972, the restrictions were swept away again: but the deduction was given in full only for interest within these *three classes, that is to say* interest on borrowings (whether before or after 1972), which were for the "purchase or improvement of land or buildings," or for the purchase of machinery or plant for use in a partnership *or in an employment.* The 1972 legislation specifically disallowed the first £35 per annum of all other interest.

The modern era dawned on March 27, 1974. Tax deductibility was then once again *heavily restricted, but generous* transitional provisions were enacted for borrowings already in existence at that date. So far as concerns loans raised thereafter for a tax payer's only or main residence, the rules have *been examined in this* column relatively recently (April 21, 1979). But *the transitional* arrangements and the other permissible purposes merit some examination.

Dealing first with the transi*tion,* the 1974 Finance Act allowed tax payers *to continue* deducting until April 1980, *interest on* borrowings before March 27, 1974, even though the purpose for which they had been raised was not recognised in the 1974 legislation. More *generously even than that, the* draftsman allowed taxpayers with overdrafts at March 26, 1974, to deduct interest for the year to April 5, 1975: and provided that these overdrafts were converted into loans before that *latter date, interest continues to* be deductible during the remainder of the six-year transitional period.

Sir Geoffrey Howe is currently extending the period of transitional deductibility by a further two years. The Finance Bill *at* present in front of Parliament *delays* until April 5, 1982, the moment at which pre-1974 borrowers need to reappraise their positions.

Interest is still deductible transitionally only after the disallowance of the first £35 per *annum. There is an exception to* this—and it is in this area that the law becomes most mystifying. "Protected interest" is the phrase used to describe the categories granted full transitional deductibility because the *original borrowing was for one* of the three 1969 purposes which were approved in the *1972* legislation. But although the phrase remains, and there is still a signpost to its definition, that definition has in fact been removed in *the course of subsequent amendments.*

It seems to be accepted that one must now look to the more recent and more *tightly drawn* definitions (in Schedule 9 of the 1972 Finance Act in its presently amended form) of the *loans* which are to be regarded as *raised for the purchasing* or improving of main residences, or purchasing plant for partnerships or employments. But it is absolutely clear that these transitional arrangements look only to the purpose of the loans, not to their amounts. Interest on a pre-1974 house purchase bor*rowing in excess of £25,000* will be fully deductible, without a *£35 restriction, until 1982 so long as it fits squarely into the* requirements of the "house purchase" legislation.

There is one other point which is worthy of mention, arising out of these transitional arrangements. Certain taxpayers who *borrowed money before 1974* in order to invest in their own *businesses found that they did* not fully meet the definition of "working proprietors" written into that year's law. Relief for interest (except for the first *£35) was therefore available,* but only for the six transitional years. *Those* who cannot at present repay their borrowings will be grateful for the two *further years'* respite to April, 1982, now given to them by the *Chancellor,* while he decides whether he can widen the definition.

This brings us, finally, to the categories of loan (other than house loans) on which tax relief is now available.

● *Purchasing plant for use* by the borrower's partnership, or in *his employment*—but interest is only deductible for three years from the date of borrowing.

● Purchasing shares in, or lending money to, a "close" trading company—but the borrower must own over 5 per cent of that *company and must work for the* greater part of his time for it. (A close company is one under the control of five or fewer persons.)

● Purchasing a share in, or putting capital into, a partner*ship—although* the borrower must be a partner the law does not stipulate *how much of his* time he must spend working for it.

● Payment by executors of capital transfer tax.

● *Purchase* by an individual over 65 of an annuity on his own *life.*

And, *in viewing this list,* one could perhaps also ask what might be the likely outcome of the policy review which seems to be taking place between now and April, 1982. One result might, as already indicated, be a widening of the definition of *those accepted as working proprietors.* But there are other influential voices (among them being Professor Douglas Hague advising the Prime Minister and Chancellor), who say that mortgage interest should cease to be deductible: where would that leave other interested *parties?*

# YOUR SAVINGS AND INVESTMENTS

EDITED BY EAMONN FINGLETON

A new income bond launched last week was better news for investors than for the life insurance industry. **Eric Short** reports

## *Liberty takes its freedom*

Coon: tax clever

### HOW THE LIBERTY BOND WORKS

Part of your investment is used immediately to buy the first year's premium on an ordinary 10-year endowment policy. The balance buys three single-premium pure endowment policies.

This is how each £1,000 investment is split:

| | |
|---|---|
| Premium on one-year pure endowment | £300.60 |
| Premium on two-year pure endowment | £256.00 |
| Premium on three-year pure endowment | £219.00 |
| First annual premium net on 10-year endowment | £224.40 |
| | £1,000.00 |

One after the other the pure endowments produce a maturity value of £340.40 in successive years.

This is how the maturity values are split:

| | |
|---|---|
| Annual premium on 10-year endowment | £224.40 |
| Income paid to investor (net of basic rate tax) | £116.00 |
| | £340.40 |

A basic rate taxpayer thus gets tax-free income of 11.6 per cent a year on his investment. Each £224.40 premium on the 10-year endowment attracts a tax subsidy of £47.60.

The 10-year endowment is surrendered after three years and a day and pays out a guaranteed sum of £1,000.

As this is only 94¼ per cent of the gross premiums paid, it is not subject to tax clawback under the Inland Revenue's rules.

HOW CAN A small life insurance company afford to pay a return of 11.6 per cent net of basic rate tax to income bond investors?

This was the question raised last weekend by the launch of Liberty Life's new guaranteed income bond. Liberty, a little-known American company, is offering this phenomenal return over three years—probably the most attractive offer ever in the chequered history of income bonds. It compares with a return of only 9¾ per cent tax-paid on three-year building society term shares.

Liberty's offering, designed by the actuary Chris Coon, relies heavily on an exceedingly clever use of the tax rules for life insurance policies. At the heart of the bond's intricate mechanics is a 10-year endowment policy designed to be cashed in with a guaranteed surrender value after just three years. The lump sum the investor puts up is split so that part goes back to him in income and the rest is fed progressively into the 10-year endowment policy. The secret of using the endowment policy is that the premiums qualify for a tax subsidy of 21 per cent.

The panel above shows how the bond's four main components—the 10-year policy and three "pure endowment" policies—mesh together. A pure endowment policy is a single-premium contract in which the investor's money is invested in a life company fund to provide him with a guaranteed maturity value.

Probably the cleverest aspect of the package is Liberty's way round the tax clawback arrangements which usually make surrendering an ordinary endowment policy within four years very unprofitable. Liberty has pitched the guaranteed surrender value after three years so low that it does not suffer clawback under the Inland Revenue's formula. But to balance this the pure endowments, which are not subject to clawback rules, guarantee an artificially high return. The three year endowment costing £219 and providing £340.40 at maturity, for instance, accumulates at a rate of 15.8 per cent a year.

Underlying the package is Liberty's own highly advantageous tax position. Like many young life companies its administrative expenses exceed its investment income. So it escapes having to pay the usual life company tax rate of 37½ per cent on its investments.

The bond gets a further boost from Liberty's decision to invest in out-of-the-way local authority stocks. These yield a full half-point more than corresponding Government securities. They are considered equally acceptable from the point of view of the actuary in matching his liabilities. Unlike gilts, however, local authority investments are not very marketable—so they may have to be sold for less than an equivalent gilt if they have to be cashed in before maturity. Coon has recognised this problem by making no promises to investors who have to cash-in prematurely.

This should be reassuring to investors wary of entrusting their money to a small company. The memory of the mid-1970s, when a few life companies ran into trouble, is still vivid with some investors and the then practice of guaranteeing high cash-in values for early surrenders was one of the main bugbears.

Everyone now appears to have learnt the lessons of these troubles—the authorities, the life companies and the actuarial profession.

What other safeguards can a cautious investor count on in investing in a small company?

Department of Trade inspectors visit upwards of 50 insurance companies each year to make on-the-spot checks. And the returns which life company actuaries have to submit are more comprehensive than ever and are closely watched by the Government Actuary's Department.

The Institute and Faculty of Actuaries has issued a guide to life company actuaries clearly spelling out their duties and responsibilities.

Lastly, there is the safety net of the Policyholders Protection Act which provides compensation equal to 90 per cent of the benefits an investor was promised.

Even if investors welcome the Liberty bond with open arms the life insurance industry will not. The bond stretches to the limit the tax rules for life companies—with the clear danger that the Inland Revenue will clamp down in a way that will benefit neither the industry nor the investing pubilc.

## *Doing the tax sums*

**Basic rate taxpayers have no tax bill to pay on the income since the life company is deemed to pay tax at 37½ per cent. The position of higher taxpayers is that they face higher rate tax on the difference between the maturity value of "pure endowments" and the purchase price. Thus since the profit rises each year in the case of the Liberty bond, a higher rate taxpayer has a falling net income.**

**As far as the return of capital is concerned, the Liberty bond is designed so that there is no profit in cashing-in the 10-year endowment policy and thus no higher rate tax liability.**

## Money Monitor

### *Under one roof*

WITH the appointment of John Manser as investment director, the Save and Prosper group has completed an almost unnoticed transformation in its approach to the unit trust industry.

Manser, like his predecessor Lawrence Banks, comes from Fleming's merchant bank which owns a near one-third stake in Save and Prosper. Banks was Save and Prosper's first investment director and when he joined in 1973 the group hardly had a slide-rule let alone a share analyst to call its own. Until then the group's investment decisions were farmed out to Fleming's, which looked after the London-based trusts, and Ivory and Sime, which looked after the Scottish ones.

Banks played himself in by looking after the group's new property bonds and other insurance-linked investments. Then three years ago Save and Prosper took over all the investment decision-making but retained Fleming's and Ivory and Sime as advisers. Now the transition is complete with the launching of a new Save and Prosper investment management subsidiary which Manser will head.

Save and Prosper thinks the main advantage of bringing investment and marketing under one roof is that it improves the group's capacity to respond to what the investing public—and the intermediaries—want. Banks, who is now returning to Fleming's, points to the group's success in the booming market for high-income unit trusts as one of the more tangible benefits of the new set-up. He thinks the group would not have been so quick to respond to the trend or to develop the right products if the marketing and investment men had not been in daily touch.

### *We have lift-off*

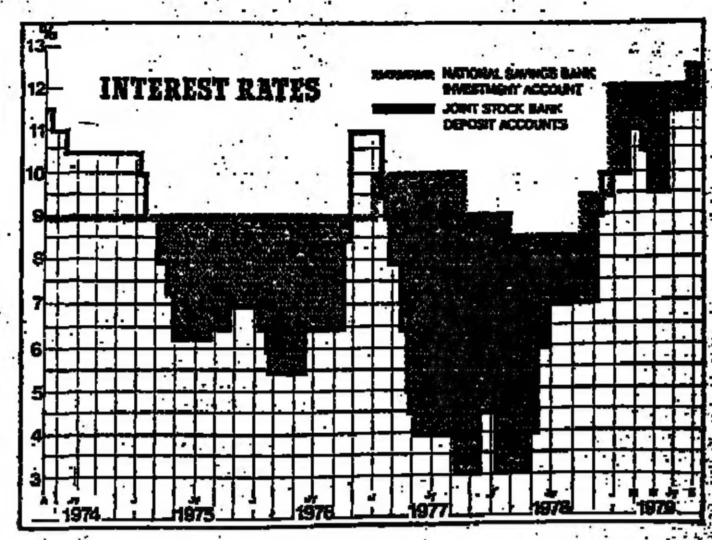
Pensioners are backing a racing certainty if they buy "Granny Bonds" by next Tuesday.

Granny Bonds—the retirement issue of National Savings Certificates—give you bonuses in line with the rise in the cost of living. They are a particularly good buy just now because of the way the index-linking works—by buying before the end of July your index-linking will be back-dated to mid-May.

Your entry point and leaving point on the cost-of-living escalator is in each case deemed to be the index level announced in the previous month and relating to the month before that.

The index rise between mid-May and mid-June was 1.7 per cent and the index for mid-July, boosted by the big rise in value added tax, is expected to show a further rise of more than 3¼ per cent.

The catch is that you have to hold the bonds for at least a year to qualify for cost-of-living bonuses.




The National Savings Bank is raising the interest on its investment account by ½ per cent to a record 12½ per cent in September. The increase takes the NSB clear again of the basic deposit rates of its old rivals, the clearing banks. This chart shows that in most of the recent past, returns on the NSB account have been higher than on ordinary bank deposits.

### *Waiting for Europe*

Following the latest easing of currency controls, unit trust investors can at last go into Europe without dollar premium complications. Until now most European unit trusts have had to use foreign loans to get round the premium. The new rules mean loans are no longer needed in the case of Common Market shares—so European unit trusts are planning to phase out most of their loans within a few months.

This will save interest charges. But there will also be the incidental consequence that in future unit holders will be exposed directly to the ups and downs of European currencies against the pound.

With unit trusts invested via loans, exchange rate movements against the pound are normally neutralised, which in recent months has worked to the advantage of unit-holders.

Most unit trust groups are cautious about the short-term outlook but Henderson, whose fund is the best-performing in the field, reckons that it may be time to buy again in the autumn.

Henderson's fund is heavily weighted towards France with a big investment also in Holland. Save and Propser and Schroder are backing France and Germany; Grieveson is mainly in France and Switzerland and M and G in France, Britain and Holland.

### EUROPEAN UNIT TRUSTS

| | Gain/loss over one year* % | Gain/loss over five years* % |
|---|---|---|
| Grieveson London & Brussels | + 2.2 | − 2.8 |
| Henderson European | +13.1 | +85.9 |
| James Finlay European Finance | − 0.7 | +44.2 |
| M & G European | + 6.3 | +22.2 |
| Save and Prosper European Growth | − 9.4 | +44.9 |
| Schroder Wagg Europe | − 4.8 | −16.8 |

* To July 1.

Source: Planned Savings

## *Still a best buy*

INVESTMENT

EAMONN FINGLETON

McLeish: it makes sense

THOUSANDS OF higher-paid executives face the savings decision of a life-time when the full effects of the Budget tax cuts work through to their pay packets in the autumn.

For many middle-aged people the first priority ought to be to improve their pension. Unless you have already made special arrangements to increase your benefits, you are probably in line for a much smaller pension than the theoretical maximum you are allowed under Inland Revenue rules. And buying extra pension remains one of the most attractive forms of saving.

Many employers these days provide arrangements for their employees to top up their pensions with a minimum of fuss. And where an employer does not already have a scheme for additional voluntary contributions, he may well install one if you can convince him that enough people want it. Otherwise, you can still achieve the same effect by an informal "salary sacrifice": that is, you take a cut in salary and ask your employer to put the difference towards your pension.

The case for investing in your pension is that even after the big cuts in tax rates it still enjoys enormous tax advantages.

Among these are that:

- Within generous limits, what you pay can count for tax relief at your top rate.
- Your contributions build up in a fund which is almost completely free of tax on income and capital gains. This can make a staggering difference if long periods are involved.
- You may be allowed to take a large part of the benefits from your saving as a tax-free lump sum on retirement. The rest will be paid as pension, which in the case of a higher paid executive will probably be taxed at a much lower rate than his salary was and will be exempt from investment income surcharge.

David McLeish, who runs the Godwins employee benefits consultancy, is recommending pension-oriented saving as one way to make the most of the tax cuts. He concedes that most tax avoidance schemes are not so compulsively attractive in a world of lower tax rates—but reckons that the attractions of voluntary saving towards a pension are hardly diminished for higher-paid executives.

What impresses him is the difference between the top rate of tax an executive pays on his salary and the much lower top rate he will pay when his income drops on retirement. In effect, an executive who saves towards his pension is deferring his income to a time when his tax rate will be much lower. For a £16,000-a-year executive with typical personal allowances, for instance, the difference between the top rate he is paying now and what he will probably be paying on his pension is 15 per cent under the new tax rates. That is a good deal less than the difference of 22 per cent which existed before the Budget—but the saving is still well worth having.

One snag to watch out for with salary sacrifice schemes is that in taking a cut in salary you will be reducing the final pay figure on which your pension benefits may be based.

McLeish, however, points out that you can make special arrangements for your employer to add back the salary sacrificed in calculating final pay. This should be acceptable to the Inland Revenue provided you are not already close to the upper limits it lays down on the amount of pension you can take out of the scheme.

Adding back the salary sacrificed is no skin off your employer's nose because if you did not take a voluntary cut in pay your pension would have to be calculated on your full salary in any case.



UNIT TRUST AND INSURANCE OFFERS





# RESIDENTIAL PROPERTY



هكذامن الأصل

# PROPERTY

## Bristol survives growth

BY JUNE FIELD

THERE IS a section in the *Visitors' Guide to the City of Bristol* which states quite candidly that in this century the ancient heart of the city was blighted by a lack of overall planning, and that "*in common* with most centres of commerce, Bristol has her fair share of uninspiring modern architecture . . . Old street patterns are being swept away as University and hospital extensions march across the slopes of Kingsdown."

Yet there is still much to savour in this capital city of the West of England, famous for its Avon Gorge, Brunel's suspension bridge and Concorde. And *although Boswell reported after* a visit in 1776 that "we were no means pleased with our inn at Bristol," Dr. Johnson claiming "it was so bad that Boswell wished to be in Scotland!" many of the city's Tudor inns have survived. In particular, the Tolzey Inn, where corn merchants transacted their business on the "Nails," brass tables like giant urns, on which cash payments were made, inspiring the expression "pay on the nail." (The Nails are now outside the Corn Exchange, Palladian-style *building designed by John* Wood the Elder of Bath.)

Most of the suburbs of Bristol are relatively new, but one cannot fault the gracious terraces and crescents of Clifton, whose buildings date from the Georgian and Regency, their heyday following the opening of the Assembly Rooms in 1811. As David Harvey, partner in Bristol-and-Avon estate agents Hartnell/Taylor/Cook comments, Clifton, with its finer period buildings and its excellent schools and University, is much in demand where homes are concerned.

"The market this summer has ben bouyant, demand generally exceeding supply. However, the shortage of mortgage money is now beginning to have *a significant effect on prices.*" For details of period apartments *from about* £30,000, and an elegant Georgian terrace house 33 West Mall, Clifton, coming up for auction on September 20, on a price guide of £50,000, contact David Harvey, Hartnell/Taylor/Cook, The *Mall, Clifton, Bristol, telephone* 0272 39061.

It *took* less than two-and-a-half hours to be driven up the 120 miles or so on the M4 from the centre of London to look at two handsome historic houses, listed Grade II of *Architectural* and Historic interest, *which* Barratt, Britain's major private house builders are faithfully restoring to their former grandeur, and converting into luxury apartments.

In the Conservation area of Clifton Down (the Downs to Bristolians), 5 minutes from the City centre, just past the zoo with its famous penguin pool and rare white tigers, is Glenavon, overlooking The Promenade where the Lord Mayor has his residence at the Mansion House. Great care has been taken to preserve the scale and splendour of the original architecture, and the house has been divided into four truly magnificent gas-centrally-heated apartments, the 2/3 bedroms, 2 bathrooms and vast high-ceilinged living-rooms providing over 2,000 square feet of accommodation, as much as a 5-bedroomed detached house.

Glenavon was opened last week by Lord Montagu, chairman of the Working Party on Alternative Uses of Historic Buildings, a small committee recently set up to encourage and explore the possibility of new uses for buildings of historic and architectural interest, whether they be residential, industrial or religious.

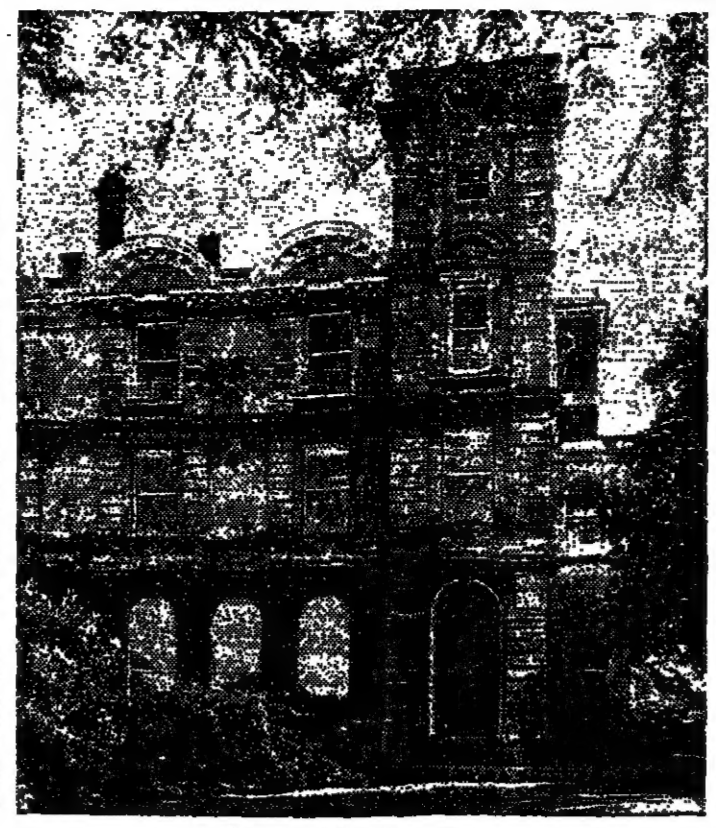
The price range for the stately converted apartments, which come complete with two private car-parking spaces, closed circuit TV *entry-phone* system, kitchens fitted with split-level ovens and so on, is top-of-the-market for Bristol; but already contracts have been exchanged on the 3rd floor apartment at £65,000, bought by a Wimpey executive returning from overseas to live in Britain.

The delightful 3-bed, 2-bath garden-apartment, *in which* Barratt's are incorporating my suggestion of a pergola over the front patio so that an owner will not be overlooked from the windows above, is £49,950 and the top floor flat, with similar accommodation, plus a large attic section of rooms with its own entrance that would make a *splendid guest or staff* quarters, £66,000.

*The show flat (open Saturdays* and Sundays 2-5 and, hopefully, from next week, Wednesdays to Sundays inclusive 11-6, telephone 0272 32589 to check) is £63,000, contents extra. The stylish decor is by Sue Pretty, the *furnishings*, a *mixture of* contemporary and antique, well worth buying as a complete package. Bonus point of this apartment is the original Conservatory, obviously a Victorian addition tacked on by a plant *loving owner*, leading off the main bedroom and bathroom suite.

For details contact David Pretty, sales and marketing director, Barratt Developments (Investments) Ltd., P.O. Box 5, Barratt House, 668, Hitchin Road, Luton, telephone 0582 31181, who will also advise when Chatford House, in the same area, *on which work was just* starting when I was there, will be ready. Prices and accommodation will be in a similar range.

For a free hotel list, and one of the estate agents belonging to the Bristol Auctioneers and Estate Agents' Association, send s.a.e. to E. J. Davies, publicity and information manager, *City of Bristol entertainments* and publicity department, Colston House, Colston Street, Bristol.



Glenavon, Clifton Down, Bristol

## New in Knightsbridge

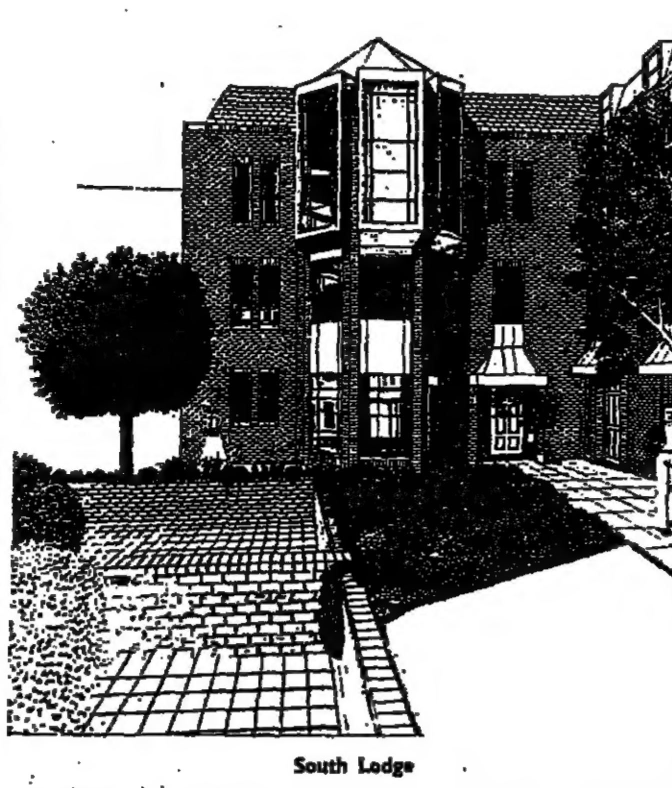
IF YOU want a freehold house in Knightsbridge with the convenience and security of an apartment with 24-hour porterage, then a new development, South Lodge, opposite Hyde Park in Trevor Place, London, SW7, a walk along from Harrods, should meet your requirements.

The "topping-out" was on Tuesday, that traditional drinking ceremony when the framework of a building is completed. (The story goes that the custom dates back to Pagan times, when *the Persians stopped being* Nomads, and put a palm tree on the roof of their house to show it was permanently inhabited.)

The "sensational prices," as even the agents Hampton and Sons, admit to, of £145,000 to £1,400,000 are not putting off prospective purchasers. Already half of the 22 houses are sold, mainly to Middle East and European buyers who are exchanging contracts and making their *first stage payments*, 25 per cent on the transfer of the land. For those buying now at the second stage, on oversite and drainage, the lowest asking figure is £500,000.

If that is your bracket, then contact Perry Bousfield, Hampton's, *6, Arlington Street*, St. James's, London, SW1, for a handsome navy and gilt portfolio of lay-outs. The super-luxury accommodation has four, five or six bedrooms (depending on the use of the penthouse suite which *has* a balcony), four living rooms, four bathrooms, *Poggenpohl fitted kitchen*, self-contained staff rooms, lift, garden, terraces and garaging for four cars. In addition to the now quite commonplace remote controlled TV entry system, there will be an electronic entrance barrier operated internally or by remote control from your car.

The building is on the site of the one-time home of the Hon. Shelley Rolls, which later became a ballet school before being demolished.



South Lodge

## Meet the Meadow Sweets

**GARDENING**

ARTHUR HELLYER

*The most spectacular meadowsweets are those that come from the U.S. and Asia.*

THE CREAMING foam of meadow sweet is spreading across water meadows and beside stream all over the country, a reminder of a *family* of plants all of great beauty and *considerable value in gardens.* Meadow sweet is the plant we used to know as Spiraea ulmaria, a good name since it immediately linked it to the shrubby spiraeas many of which closely resemble it in the plumey character of their flowers. Now botanists have renamed it Filipendula ulmaria which carries no assocations for gardeners and *is so unfamiliar that most of* them, seeing it and its relations in catalogues, do not even recognise it as anything with which they are familiar. So the meadow sweets become increasingly neglected. It is a pity for there are no lovelier moisture-loving perennials in bloom *during July and August.*

Even the common British *meadow sweet is worth a place*, especially if one does not live in the country where it is such a common sight in the wild that it is unnecessary to repeat its beauty in the garden. But even where one is surrounded by native *Meadow Sweet it is well* worth planting its golden-leaved form for that will not be found in the wild and it is one of the best herbaceous plants of its colour. I refer to the form listed as Aurea which is yellow all over, a rather *deep golden* yellow with an undercurrent of green. There is another, named Variegata, which is streaked and splashed with yellow and is less attractive. There is also a garden form with double flowers but since the charm of meadow sweet depends so much *on its* lightness, anything that makes the flowers heavier and more solid is not really an advantage.

It is otherwise with the Dropwort, another native plant that used to be called *Spiraea filipendula* and has now become *Filipendula hexapetala*. This differs from all the rest of its family in preferring dry to wet places. It will be found growing wild on chalk downs, its dark green, ferny leaves spread out in almost flat rosettes and its cream flowers gathered *into small heads* at the top of wiry, 50cm stems. With this plant doubling does improve the display and reduce the risk of self-sown seedlings invading places where they are not wanted. The plant makes small black tubers which cling tenaciously to the soil and are *hard to remove so do not plant* it where it can wander among less robust plants which it can easily choke in a few years.

Anyone unfamiliar with them and can get to Wakehurst Place at Ardingly in Sussex can see them now at the height of their glory. Wakehurst Place was once a great private garden and now has passed into the care of Kew for use as a country annexe to that great botanic garden and has been marvellously improved. The bog garden and adjacent pool are at their flowery peak and it is here that great drifts of *Filipendulas* and allied plants *can be seen.*

The tallest is *Filipendula rubra* which can exceed two metres and looks like a giant British meadowsweet which has exchanged its modest cream for various shades of pink. American settlers were so delighted when they discovered it that they called it the Queen of the Prairie but do not let that name mislead you into believing that this is a plant of the dry grass plains. Like our Meadowsweet it prefers damp ground though it can be grown in any place that does not dry out too badly, as it is with me in a border of fairly heavy soil that gets watered from time to time. There are various *garden forms of this* marvellous plant varying in shade of pink and some given distinguishing names. Two of the most familiar are *Venusta* and *Magnifica*, according to Graham Thomas both the same plant which is a good clear pink. At Wakehurst there is a pure *white beauty for which even* the botanists have not supplied any identification and only its height make me suspect that it is a form of *Filipendula rubra.*

Shorter and more richly coloured than the Queen of the Prairie are the Asiatic meadow sweets, one, from Kamschatka *named Filipendula palmata* the other, from Japan, named *F. purpurea.* They are much alike, both a little over a metre high and both with glorious rosy crimson flower plumes. Confusion is worse confounded by the fact that in the days when all these plants were spiraeas *what we now call Filipendula palmata* was nearly always labelled *Spiraea purpurea* if it was not called *S. gigantea* which would seem to make it the largest of its family instead of a medium size member. But let us not worry too much about names for all the Meadow Sweets are beautiful and all are *worth planting. The only real* problem is to find a source of supply for some.

Most of the praise and publicity, *as well as most of the* nursery room, have been reserved for the Astilbes which are close relatives of the Meadow Sweets and look much like them except that their leaves are more finely divided and their flowers borne in tapering sprays rather in flat topped or billowy plumes. They, too, were once called *spiraeas* and from a garden standpoint I wish they were.

No Astilbes grow wild in Britain, nor even in Europe, all the species *that matter being* Japanese or Chinese with a couple of relative unimportance from North America. There are some good things among these species, most notably *Astilbe davidii* with tall, attenuated plumes of crimson magenta and *A. astilboides* with plumey sprays of white flowers. From these and a couple of other white flowered species, a whole range of hybrids has been raised and it is these that now dominate nurseries and gardens. Collectively they are known as *Astilbe arendsii after the* German nurseryman who raised many of them in the early years of this century.

They combine the plumey habit of the white flowered species with the colour of *A. davidii and so offer a complete* range of colours and forms from white to deep crimson and from erect to spreading or even arching. Betsy Cuperus is one of the large ones, over a metre high with loose sprays of pale *pink flowers. Fanal is relatively* short and narrow, with crimson flowers, Ostrich Plume is well named for habit and is deep pink, Jo Ophorst packs its deep magenta flowers closely and Bridal Veil does just the opposite, spreading out its white flowers widely.

*Astilbe simplicifolia* is a miniature species from Japan only 15 to 20cm high but otherwise a perfect pink flowered replica of the tall Astilbes with which it has been crossed to produce yet another range of hybrids intermediate in height.

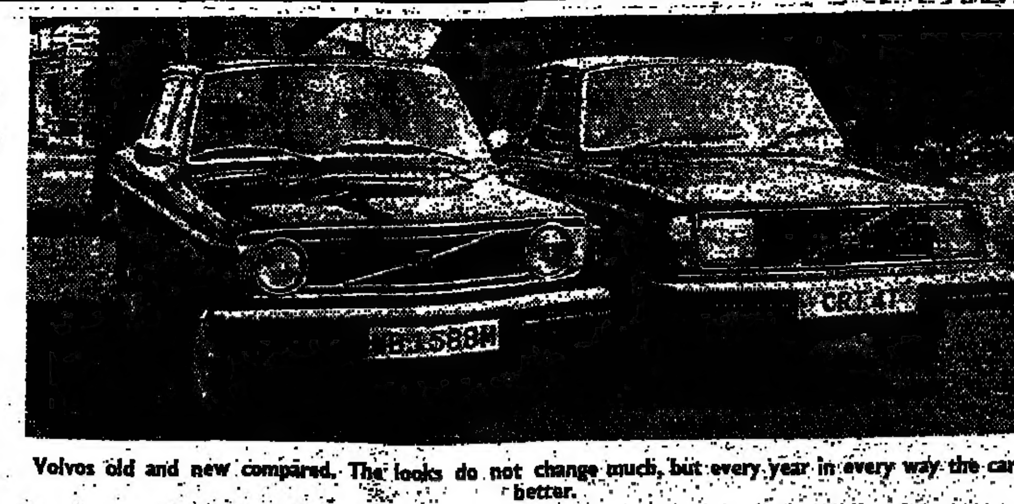
Finally there is a giant of the family, the Goat's Rue, *Aruncus sylvester* which used *to be Spiraea aruncus* a name which reveals much more clearly its garden worth. It is a big, fast growing plant with much divided leaves and great plumes of creamy white flowers.



# MOTORING

## Gentle Volvo

BY STUART MARSHALL



Volvos old and new compared. The looks do not change much, but every year in every way the car gets better.

VOLVO CARS, as I am not infrequently assured by people who may have last sat in one six or seven years ago, look like tanks, are built like tanks and drive like tanks.

I am the first to admit that the styling of a 244 saloon is more like that of an armoured fighting vehicle than an Italian supercar. There is no question that Volvos are strongly built to protect their occupants in a crash and to last for a long time. But do they drive like tanks?

Not any more they don't. The first Volvo 144, which came on the scene nearly 13 years ago, was a hobnailed boot of a car. It was strong and long suffering, but it was clumsy to drive, with heavy steering and inelegant handling. Having said all that, it was a good car to be in when north of the arctic circle in mid winter when it went better in deep snow and on ice than many a sprightlier rival.

The present 244 looks much the same from the windscreen pillars backwards as the earlier 144 but appearances mislead. When it got its bulldozer-blade front end five years ago the old front suspension was replaced by McPherson struts and the worm-and-nut steering by rack-and-pinion. And the old overhead valve engine gave way to an overhead camshaft version.

Since then, the programme of making small but significant improvements annually has continued because Volvo could not afford to throw away the existing body shell even if they wanted to. The result is that the 1979 Volvo 244, though it may be difficult to tell at a glance even from a 1974 model, is a better car than its forebears in every important respect.

Volvo chose to demonstrate this to me by asking me to drive first a well worn 1973 model for a few days and then switch to the latest 244 GLE. For a car with 110,000 miles on the odometer (it will go up to 999,999 miles) the "M" registered 144 looked in good shape. The dark green paint was glossy; the fuel injected engine felt vigorous; and there were no creaks or rattles (or obvious signs of rust) in the body.

The gearshift was heavy by present-day standards; the steering needed a lot of effort at low speeds and the engine was noisy at motorway speeds cruising rates. Even so, it was a car I would have filled up with people and luggage and driven up to Scotland, confident of getting there and back quickly and not uncomfortably.

Turning it in for a 244 GLE after a couple of hundred miles, the first thing I noticed was the lighter—and power assisted—steering; the sharper steering response due to 70 series steel radial tyres; and the generally nimbler handling on winding roads, with far less roll.

Clutch action was lighter and the new gearbox with British-made overdrive reduced engine noise to a whisper at 65-70 mph, though there was an unfortunate exhaust resonance when accelerating between 3,000 and 4,000 rpm—say 45 and 60 mph in third gear—which could be felt as well as heard.

It impressed me as much more of a driver's car than the old one. My wife, who had always thought of Volvos as "men's cars," said she felt at home in the 244 GLE within seconds of taking the wheel and was astonished at its light, lively behaviour.

I would not put forward a Volvo as an ideal car for the motorist who covets a Jaguar or a BMW for example. It still has no sporting pretensions. But the motorist who would dearly love (but cannot afford) to have one of the least expensive Mercedes will find the Volvo has something of the German car's strong, well engineered feel about it, even if the non-independent rear suspension does not give so good a ride. As a consolation, the Volvo's seats are softer and, to my taste, more comfortable.

In 1974 a fuel injected Volvo 144 cost under £2,500. Five years of inflation and higher taxation—plus, of course, all these improvements—have put it up to £8,150.

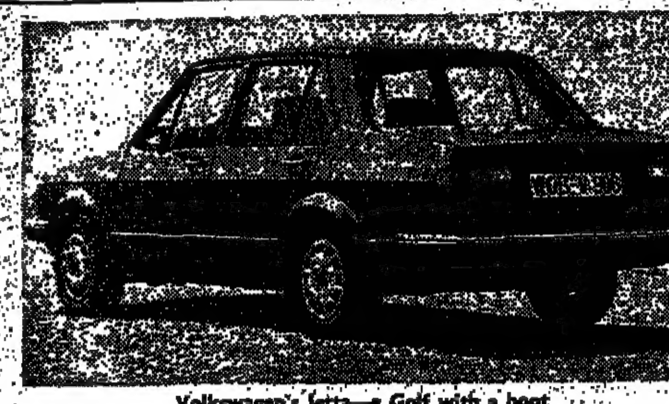
## New from VW

VOLKSWAGEN'S JETTA bears the same relationship to the Golf as the Derby does to the Polo. In other words, it is a conventional three box (bonnet, body and boot) saloon developed out of the hatchback. It recognises the fact that though hatchbacks are useful, a significant number of customers want a prettier car and don't care overmuch if they can't carry the odd wheelbarrow or deep freeze.

Like the Derby, the Jetta is just a little bigger than the hatchback on which it is based. The boot is enormous—as big as an Audi 100's.

The base model has a 1.3 litre 60 horsepower engine and four-speed manual gearbox. The 1.5 litre (70 hp) comes with a choice of four-speed manual or three-speed automatic transmission. And the top of the line Jetta 1.6 has a five-speed, close ratio box to go with its 110 horsepower, fuel-injected engine. This gearbox, which is not the same as the four speed and 25 per cent overdrive box destined for the turbocharged diesel Golf, is part of the Jetta 1.6's sporting character which could make it an alternative for potential BMW 3-series or Alfa Romeo Giulietta customers to consider.

Driving all three Jettas in Germany last week in pouring rain on both autobahn and country roads, I was impressed by the silky willingness of the engines to hit high revolutions and the stable, balanced handling. They will not reach Britain until the spring of 1980. Were they to be on sale here now, they would probably be in the £4,250 to £4,750 price range.



Volkswagen's Jetta—a Golf with a boot

Two new VW models are now available in the UK. They are the Golf GTi and Scirocco GLi—the latter also in a special luxury version called the Storm.

The 113 mph Golf GTi costs £5,010 and, despite its 110 horsepower—57 more than the standard 1500 Golf GLS—its manners are as good as its performance is muscular. The suspension has been lowered and stiffened and the wider wheels have low profile radials. It still rides very comfortably, runs quietly enough for the radio to be enjoyed on the motorway and pulls in top from 25 mph without hesitation.

The Scirocco (£6,123 for the GLi, £6,687 for the leather upholstered Storm) has the same mechanical modifications except that its suspension did not have to be lowered.



# GOLF

# Attacking the home team attracts criticism

GOLF
BEN WRIGHT

THE ABUSE that has come my way as the result of an assertion last weekend that the integrity of the Open championship had been impugned by the 1979 winner Seve Ballesteros, the 22-year-old Spaniard, was exceeded in ferocity only by that which greeted my fierce criticism of the British. And so it was with great sorrow that I read that Mark James who alone of the British performed with great credit at Royal Lytham, had pulled out of the next U.S. PGA qualifying school because he felt he was not yet capable of earning £50,000 a year or more over there.

Dear Mark, very few rookies amass six figures in their opening bid. In fact, only four have ever managed to do so, and they do not include the great Jack Nicklaus, who won over $61,000 in 1962, his first as a professional. For the record the distinguished quartet comprises Bob Murphy, Lanny Wadkins, Bob Gilder, and Jerry Pate, the last named of whom even managed to win the U.S. Open in 1976, his rookie year, as had Nicklaus.

## Shy away

Interestingly throughout his long and distinguished career the legendary Sam Snead has never reached six figures in a single season. *My own selfish wish,* because it grows ever more embarrassing to be a lone British voice crying in the wilderness on the American tour, *is that James might have* given it a try.

The British are second runners because they shy away from competing against the best. Despite Ballesteros's brave but very fortunate victory the Americans are just that, as I am sure they will prove yet again *in September's Ryder Cup* match in West Virginia, when Europeans will be included in our side for the first time.

Among the vituperative telephone calls and mail I have received on these two vexed subjects came one marvellously sane conversation, however. The former England and Worcestershire opening batsman Peter Richardson, himself an excellent low handicap golfer at Rye, told me that he and his friend, the former England amateur golfer Alex Holmes, had been appalled that a professional who struck up a mere nodding acquaintance with the fairways at Royal Lytham *should have been allowed to win* our premier championship. Of course, Richardson and Holmes are absolutely right.

*It was quite ridiculous to read* that Arnold Palmer had been very wild from the tee when he first ventured on the U.S. tour. That is a total misconception. *Of course, he made it* fashionable to hit the ball as hard as was physically possible, and occasionally was forced to do so from the most unlikely *places—witness the plaque at* Royal Birkdale. But Palmer was never remotely near being as wild as is Ballesteros. Palmer won his major title bcause he was an inspired and fearless putter, a consistent driver, and a superb iron player. In short, he was a complete golfer.

*With due respect to Ballesteros* he can hardly be described in those terms, yet, although if his back holds up there is no doubt he could become, as they say, one of the all time greats. Certainly the handsome *Spaniard is an exciting player.* He was followed at Royal Lytham by as many teenaged females as one might expect to see at a pop concert, and his presence is a boon on a European tour woefully short on heroes. It is quite extraordinary that a nation longing for a golfing messiah, as we are in Britain, have taken Ballesteros so much into our hearts he has *become as popular as fish and* chips—and good luck to him.

## Land softly

Ballesteros hit only two fairways with his driver in the last two days at Royal Lytham. The key to his victory in his own *view was his sand wedge,* in that on 14 of 15 occasions he was trapped in greenside bunkers he needed only one putt. But he also appears to have a priceless and possibly unique ability to judge with minute accuracy how the golf ball will behave when he lashes it with *brutish force from what to his rivals would be flying lies* out of which the ball is virtually *uncontrollable.*

Ballesteros has a touch and feel so sensitive that he alone can persuade the ball to land *softly, while mere mortals watch* the ball in an agony of despair *as it rushes over a green and* back into the undergrowth, whence it came. The young Spaniard is also blessed with abundant courage without which major championships are not available. His ability around the *greens is nothing short of* uncanny. But he may be the worst driver of a golf ball ever to have the Open championship.

But I will never regard the 1979 Open as anything but substandard, and I fervently hope that the Royal and Ancient golf club of St. Andrews will see to *if that Muirfield in 1980* is as villainous in terms of rough grass as it was in 1966 when Nicklaus won for the first time by bisecting the narrow fairways, *usually with his one iron.* I feel the great championships should be won in this manner, as was Peter Thomson's brilliant fifth victory secured by the judicious use of his three wood at Royal Birkdale the year previously. Then it had been that both Palmer and Nicklaus betrayed themselves with their drivers, while Thomson's only aim was to keep the ball in play, *which in my view is what* the game is all about.

## Facts of life

As for the British—I was castigated for always knocking them without stating adequate reasons for so doing. I rest my case, and the facts of life make it a watertight one by stating that golfers can never compete in the highest class unless they do so with what may seem to them like monotonous regularity. *Only then does a major* championship of such heroic proportions as our Open has become appear little more than just another tournament—at least in terms of the quality of the field involved. Tony Jacklin *proved that point admirably,* as has Peter Oosterhuis in his own way with half Jacklin's natural talent. Only Oosty of the British professionals I have known over *25 years has really applied himself* 100 per cent to the job. What an appalling state of affairs.

# TRAVEL

## Eastern Promise

BY SYLVIE NICKELS

AS AN ex-patriate semi-East Anglian, as it were, there remain relatives and friends enough to take me back fairly regularly to that great and pleasing bulge of the country. On the last occasion, it was still winter. We scrunched along the beach near the RSPB reserve at Minsmere and pottered through the off-season calm of Victorian Southwold before retreating for tea and a roaring fire with an old friend in one of those nice villages at road's-end in which East Anglia specialises.

Those who know the region only by repute and envisage its enormous flatness are only half-way right. The wooded undulations of parts of Suffolk and Norfolk are the very essence of that Englishness that sends more distant ex-patriots into paroxysms of nostalgia: the England of Constable who operated on the Suffolk-Essex borders, of Gainsborough who was born in Sudbury, Suffolk, and of Munnings who was educated at Framlingham.

There are other famous East Anglians by birth or adoption. Nelson was born within a stroll of the north Norfolk coast at Burnham Thorpe; Pepys lived at Brampton, Cambridgeshire for 16 years (his diaries are at Magdalene College, Cambridge); Cromwell was and Joe Bugner is a citizen of St. Ives; and there is the solid seal of royal patronage in the shape of Sandringham House.

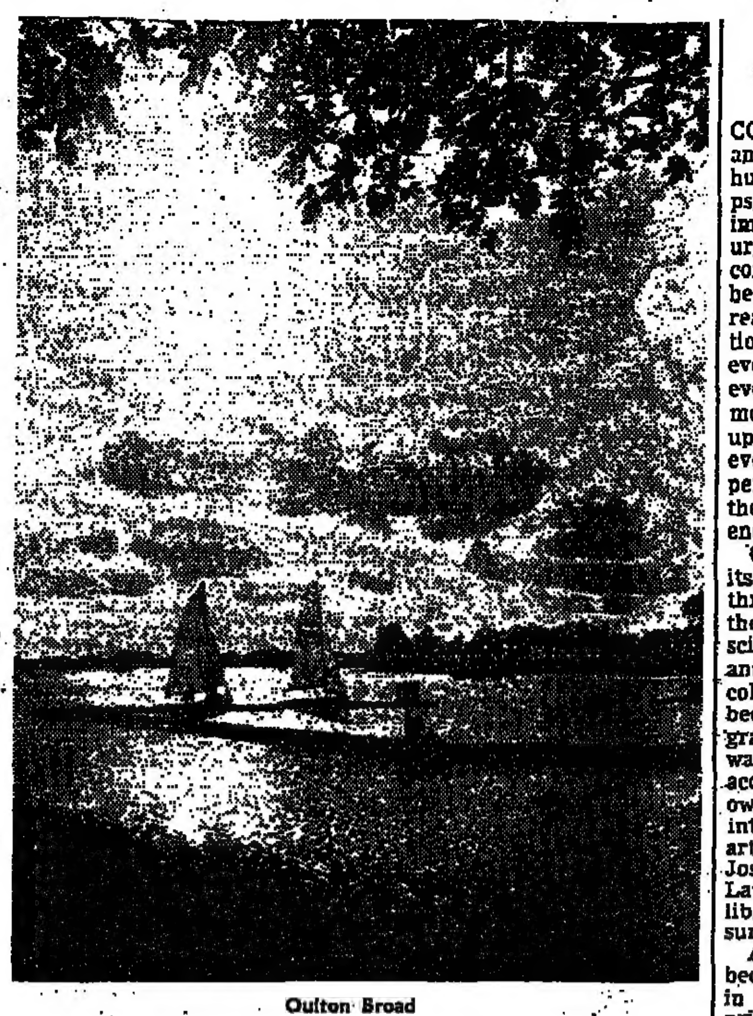
In fact, East Anglia has most things except mountains. Certainly it has enough water, from the popular Broads to the Great Ouse and its ramifications, which it took a Dutchman to control in the 17th century, totally remoulding the face of the land. If you want to see what much of East Anglia looked like long ago, you must go to the National Trust's preserved morsel at Wicken Fen, north-east of Cambridge.

Where the land rises in these parts, you can see or be seen be seen a very long way. Thus the silhouette of Ely Cathedral announces its presence for a considerable distance. Thus the early Britons, the Romans and those that succeeded them picked their way above the then-soggy fenland and let us with walkers' trails like the Peddar's and Icknield Ways. Thus the East Anglian Heights, reaching all of 300 ft, represent the highest land on a line due east until you reach the borders of Asia. Of how the earliest Britons lived you can glean some idea at the reconstructed Iceni encampment at Cockley Cley, not far off Peddar's Way near the little Regency town of Swaffham, Norfolk.

The Stone Age flint mines of Grimes Graves in Thetford Forest show how some of them worked.

No area can better East Anglia for ecclesiastic architectural variety. The timber church of Greenstead is in Essex: the glorious "wool" churches, embellished by wealthy guilds and merchants for the betterment of their souls add splendour to many a Suffolk village and some in Essex; the flint-and-rubble round church towers are mainly in Norfolk; there are spectacular carved "angel" roofs in Suffolk and Norfolk; and, of course, the cathedrals like those of Ely, Peterborough and Norwich.

The range of hostelries is wide and excellent. One of several claiming to be Britain's oldest is the Ferry Boat Inn, Holywell, on one of the meanders of the Great Ouse near St. Ives. Dickens stayed in quite a few, including the Angel Hotel in Suffolk's Bury St. Edmunds, which he featured in Pickwick Papers.


Oulton Broad

Museums cater for the most catholic tastes and all ages. Duxford Airfield, the former Battle of Britain fighter station is the home of the Imperial War Museum. Live steam hisses regularly alone the Nene, Colne and Stour river valleys and elsewhere. Craftsmen of all kinds can be watched at work. Horses feature prominently, from the strings of sleek aristocrats being exercised around Newmarket to the magnificent shires and Suffolk geldings of the Heavy Horse Centre near Dedham. At Easton Farm Park, near Wickham Market, Suffolk, a working farm provides the setting for a popular family outing.

In Norwich, a museum is devoted to mustard, in Colchester to grandad's photography, in Bury St. Edmunds to clocks and watches, in Cambridge to Polar exploration.

But, above all, it's in wild and wide open spaces that East Anglia specialises. The Wildfowl Trust have reserves at Peakirk, near Peterborough, and Welney in the heart of the Bedford Levels fen country. There is the Otter Trust near Bungay, Suffolk, the Norfolk Wildlife Park near Norwich, the Suffolk Wildlife Park near Lowestoft, to name but a few. All are listed in the current East Anglia Guide published by the East Anglia Tourist Board (45p), along with most of the other practical details needed for holiday planning.

These include various possible modes of transport, many of them suitably leisurely to meet the East Anglian preferred pace of life. Boats or bicycles can be hired; so can horse-drawn caravans. But it is wise to allow some time at least for the best means of all of appreciating the huge East Anglian skies and their matching horizons: your own two feet. Further information: East Anglia Tourist Board, 14, Museum Street, Ipswich, Suffolk IP1 1HU.


Restored 16th and 17th century merchants' houses, Norwich

## Why do we collect?

COLLECTING in one form or another has always been a human instinct. Freudian psychiatrists developed quite impolite theories about the urge, which fortunately do not concern this column. Never before, however, has collecting reached such epidemic proportions as in the 1970s, when everyone collects something, even if it is only a garden of modern *Capo-di-Monte* roses upon the television; and when every smallest town has its periodic antiques fair, in which the last thing you're likely to encounter is a real antique.

Collecting is persistent, but its motives have changed through the centuries. Once the purpose was essentially scientific and didactic. Artists and patrons of the Renaissance collected ancient works of art, because in days before photographic illustration the only way properly to become acquainted with them was to own them. This habit persisted into the 18th century: the great art collections of men like Joshua Reynolds and Thomas Lawrence were their reference libraries rather than their treasures.

As domestic life in Europe became more settled and safe, in the 16th and 17th centuries, princes and noblemen collected works of art to adorn their palaces just as jewels ornamented their persons and proclaimed their opulence. The aristocracy too extended the collecting habit to objects of curiosity as well as art. The "cabinets of curiosities" which became a feature of the cultured gentleman's house in the 16th to 18th centuries, and often figure in paintings of the period—the collections of ancient gems, mummies, fossils, skeletons of dwarfs—responded literally to the "curiosity" of ages of scientific quest and discovery.

Only in the nineteenth century does the omniverous collector emerge, with people like Sir Thomas Phillipps, whose accumulation of books and manuscripts was so Augaean that it is still being sold off, more than a century after his death. The formidable Lady Charlotte Schreiber collected everything and anything, to the ultimate profit of the English museums: her ceramic collection is one of the glories of the Victoria and Albert.

Lady Schreiber overruled a great iron and steel empire, and perhaps suggests one new approach of the rich Victorian collector. In a flourishing capitalist, industrial society, acquisition of any kind symbolised power.

Victorian progress and industrial production also began to provide the kind of multiple objects which invited cataloguing, collation—and inevitably collection. The supreme instance was the postage stamp, which first appeared in this country in 1840, was rapidly adopted by every other country of the world, and by the end of the century was already a flourishing field for collectors and dealers. By the early part of this century such products of mass production and marketing as picture postcards and cigarette cards were already stirring the instincts of much humbler classes of collector. The picture postcard album was the poor man's equivalent of the picture gallery of the noble house.

### COLLECTING

JANET MARSH

So throughout the first half of the present century the collecting habit spread. It remained characteristic of the objects people collected, however — pot lids, Baxter prints, Stevengraphs, books, prints, pottery, porcelain or postage stamps — that all of them had some pretension at least to artistic interest or decorative value.

The last decade, however, has brought the Great Collecting Epidemic, which has affected not only this country, but most of Europe and North America. Now we collect so compulsively that we gather up the most unglamorously functional articles of past ages, treasuring old vacuum cleaners and biscuit boxes, and decorating our homes with flat irons and carpenters' braces (the mechanical ones, that is, though no doubt someone, somewhere collects the elastic variety also).

Nothing now seems too inconsiderable or too recent: old bus tickets, fountain pens, wartime ration books. It is hard to resist panic when you see the familiar objects of your youth being snapped up as "antiques."

Is there a simple explanation of the epidemic era, the people who spend their Sundays poring intently through mountains of postcards, film stills, sheet music or old tradesmen's bills at ephemera fairs? Perhaps it is attributable to the phenomenon which the historian Arnold Toynbee identified as "Archaism": the flight, in periods of anxiety and uncertainty, back into illusory pasts of prosperity and glory. It's not hard to see the attraction of time-tables for trains from a time when they still reached every place in Britain and often arrived on schedule, or for postcards that were posted in the morning for same afternoon delivery; or to appreciate nostalgia for an Upstairs-Downstairs world of servants and Empire. Often the point of collecting old household linen or carpenters' tools is that, 50 years ago, such things were simply better.

Maybe, the new collector is just trying to capture a share and a foothold in recent pasts whose assets are illusory, perhaps, but still remarkably comforting.

## Rugs in Ireland

UNLIKELY as it may seem, Ireland, or to be more precise, Dublin, houses one of the greatest collections of Islamic art in the world, the Chester Beatty Library, second to none in its extraordinary array of Middle Eastern manuscripts and miniature painting. The presence of this collection in Dublin has been the main catalyst for the formation of the Islamic Arts Association of Ireland; this organisation is currently staging a fine exhibition of tribal flat weaves or *kilim* at the Douglas Hyde Gallery in Trinity College, which has been organised by two young London dealers, Michael Franses and television personality Alan Marcuson.

Unlike other major exhibitions of tribal flat-weaves, including *From the Bosporous to Samarkand* at the Textile Museum in Washington in 1969, which set out to illustrate as many flat-weave techniques as possible, or David Black and Clive Loveless's *The Undiscovered Kilim* at the Whitechapel Art Gallery, London, in 1977, which concentrated on pieces in the slit-tapestry technique, the Irish exhibition contains only pieces from Turkey and one example, a so-called Thracian *kilim* from the Balkan area, to show the Ottoman influence on the weavers of occupied lands.

To have been a collector of *kilim* ten or 15 years ago must have been somewhat akin to a career in social work. Then the enthusiast was dealing with the poor, the abused, the rejected and the distinctly battered, and seeking to rescue them from imminent demise. Only a few people were able to appreciate the inherent beauty, honesty and unerring compositional balance of the best tribal *kilim* and it is probable that the majority of examples which found their way westward in the latter part of the last century have long since been worn into ruins and thrown on the rubbish heap (a number of collectors have told me stories of fine old tribal weavings rescued from dustbins and skips).

### FT/SOTHEBY

ART MARKET REVIEW

In general, *kilim* were woven solely for domestic use and were not intended for export. One of the many "shaggy dog" stories of the carpet trade is that, before the Second World War, bales of pile-knotted carpets arrived wrapped in old *kilim* and it is probable that the paper, were then either thrown away or, in some cases, given to customers buying a "proper" rug.

Even ten years ago it was unusual for any 19th century *kilim* to make much over £100. The last five years, however, have seen a tremendous growth of interest in all tribal and village flat-weaves, highlighted by such major exhibitions as those mentioned previously. The inevitable result has been the increase in value of the best *kilim* by a factor of between 20 and 40 times since the late 1960s, it being not unusual today for a good example to cost in excess of £3,000 from a dealer or at an auction. However, when one is looking at a great Konya *kilim* from Anatolia or a Kuba *kilim* from north-east Caucasus, with their brilliant, yet mellow colours and huge, archaic, medallions, even the sum I have mentioned seems slight.

As yet, little work has been done on the development of the designs and compositions of tribal and village *kilim* (to be rectified later this year by the publication of a major monograph on the subject by Michael Franses and his dear friend Yanni Petsopoulstein). The retention of archaic designs is one obvious feature, a particularly interesting example of which is the so-called "dragon" *soumac* brocade ("*soumac* brocade" refers to a distinct weft-wrapping technique) from the Caucasus, which employs a composition apparently discontinued on pile-knotted rugs at least a century before the oldest surviving *soumac* examples were made.

On 19th century Anatolian *kilim* one can see a variety of apparently abstract geometric motifs, many of which can be traced back to totemic animal and bird images. On some of the finest and most powerfully designed examples, the composition is based around one or more huge hexagons with "latch-hook" appendages and a variety of surrounding ornamentation. These pieces exemplify the simple, yet bold, approach to design and the extraordinarily sensitive use of colour which have made *kilim* in general of especial interest to contemporary painters, in particular the Abstract Expressionists and succeeding movements in American art, "Post Painterly Abstraction," "Colour Field" and "Hard Edge." It is difficult, for instance, to contemplate an "Unfurled" by Morris Louis without thinking of certain tribal *kilim*, most obviously those of the Qashqai from south-west Iran.

The exhibition in Dublin has brought together 25 exceptional examples of Anatolian *kilim*. Only one, the splendid brocade piece (no. 5) is not in the slit-tapestry technique, and its publication here will be of particular interest to scholars as it is one of only about 10 known examples of its type and, presumed by some students to be of 17th century Ushak origin; the Dublin catalogue suggests Smyrna as the place of manufacture, although it presents no evidence for this, and, wisely perhaps, refrains from suggesting a date.

A catalogue of the exhibition, with 15 colour plates, is available from Oguz Press, 4, Castellain Road, London, W9, price £2.

## CHESS

LEONARD BARDEN

THE RISING star among king's side openings at the moment is the Scotch Game 1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 P-Q4, PxP; 4 NxP (or 3 N-B3, N-B3; 4 P-Q4). Since the publication two years ago of the excellent Botterill-Harding monograph The Scotch (Batsford), the opening has quietly gathered both adherents and successes.

Its latest achievement was the game Ivanovic-Tal in the international at Tallinn, where the former world champion was beaten for the only time in the tournament by a little-known Yugoslav.

While the Scotch (which takes its name from a postal match between Edinburgh and London in the 1820s) lacks the charisma of the more daring open games such as the King's Gambit or the Evans Gambit, it has a solid strategical basis in White's space advantage with pawn at K4 to Black's pawn at Q3.

Many of the resulting variations lead to lively tactical chess and there is still ample scope for the innovator. This seems particularly so in the revived Mieses Variation 3 P-Q4, PxP; 4 NxP, N-KB3; 5 NxN, NPxN; 6 PxK5 where recent games have turned out well for White.

Two examples of the Scotch this week arise from the older form of the opening with 3 N-B3 which is less favoured by its modern exponents. But the complex tactical interest of the play and its relevance to an unresolved argument form a good introduction to the Scotch's attacking promise.

White: Polovogin. Black: Rutman. Leningrad 1979 (Scotch Four Knights).

1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 N-B3, N-B3; 4 P-Q4, B-N5 (after 4...PxP 5 NxP is solid but rather dull while 5 N-Q5 is the unclear Belgrade Gambit); 5 NxP, NxKP.

Another recent game Bellon v. Lukacs, Bucharest 1978 reaffirmed that 5...Q-K2 is unsatisfactory for Black: 6 Q-Q3, NxN; 7 PxN, QxP; 8 B-Q2, O-O; 9 O-O-O, BxN (or P-Q3; 10 P-B4, Q-K3; 11 R-K1 with advantage); 10 BxB, Q-B5 ch (QxKP; 11 Q-N3); 11 R-Q2! P-Q4 (NxB? 12 Q-Q4); 12 PxP, R-K1; 13 P-QN3, B-B4 (N-K5; 14 Q-Q4 also favours White); 14 Q-B3, R-K8 ch; 15 K-N2, Q-N4 (QxQ; 16 PxQ, B-R6; 17 B-N2); 16 P-KR4, Q-N3; 17 P-Q6! N-K5; 18 R-Q5, B-K3; 19 R-K5, B-N5; 20 P-Q7! N-B3; 21 QxP, Resigns.

6 Q-N4, NxQN; 7 QxNP.

A capture which revives a memory: in the second game of the Barden v. Phillips British Championship match of 1954, White mixed up the move order, played 7 P-QR3? and was saved from a poor position when Black offered a draw because he had two tickets for the opera that evening.

7...R-B1; 8 P-QR3, NxP ?!

If this tactical coup fails, Black can still fall back on 8... B-R4; 9 NxN, QPxN; 10 Q-K5 ch, Q-K2; 11 QxQ ch, KxQ; 12 B-Q2, B-B4 with only a slightly better ending for White.

9 PxB, NxP ch; 10 K-Q2, NxR; 11 KxN, P-QR4; 12 B-QB4!

Speedy development is the principle for such sharp positions. Instead 12 PxP? P-QB4; 13 N-B4, Q-K2 gives Black a winning attack.

12...PxP ch; 13 K-Q2! P-Q4; 14 B-N5 ch, P-B3.

This loses. Botterill and Harding suggest the remarkable resource 14...K-K2! 15 K-Q1 (threat B-N5 ch), K-Q3! and "Black can keep his chances alive," but what if 16 N-Q3, threatening 17 B-B4 ch?

15 R-K1, B-K3; 16 NxQBP! (now Black collapses), PxN; 17 RxB ch! K-Q2 (PxR; 18 BxP ch mates); 18 RxP, Q-K2; 19 K-Q1! (again this theme to bring the QB into the attack), QR-N1; 20 B-KB4, Resigns. If RxB; 21 R-B7 ch.

### POSITION No. 278

BLACK (3 men)

WHITE (3 men)

White (to move) looks lost in this endgame where Black's passed pawn is far away from the white king and knight, and only two squares from queening. But the position contains hidden resources; can White draw or even win?

### PROBLEM No. 278

BLACK (6 men)

WHITE (10 men)

White mates in two moves, against any defence (by W. H. Reilly). This puzzle defeated Capablanca on a day when he solved a dozen other two-movers at a brisk average of 15 seconds a time. It took Capa a quarter of an hour to find the key move; can you do it quicker?

Solutions Page 12

## BRIDGE

E. P. C. COTTER

TWO HANDS from recent rubbers interested me—in each case the declarer went down in a contract which he should have made. Let us look first at this no trump game:

```
            N.
          ♠ K Q 5
          ♡ K 10 2
          ◇ 10 9 6 3
          ♣ Q J 7
  W.                  E.
♠ J 7 4 2           ♠ 10 9 8
♡ 7 3               ♡ A J 9 8 6
◇ Q 7 4             ◇ 8 5
♣ 9 6 4 3           ♣ A 10 2
            S.
          ♠ A 6 3
          ♡ Q 5 4
          ◇ A K J 2
          ♣ K 8 5
```

West dealt with North-South vulnerable, and after two passes East bid one heart—a third hand "market-steadier," as the Fancy has it—South overcalled with one no trump, and North raised this to three no trumps.

West led the heart seven, dummy and East played low, and the Queen won. The declarer led a club to the Knave, anxious to dislodge the Ace, which was presumably on his right. East won with the Ace and returned the eight of diamonds. South took his Ace and continued with the King. He hoped to drop the Queen from West or, failing that, to find East with the guarded Queen, and lose a trick to him, for he could do no damage. Unfortunately, West won the third diamond, and returned a heart to put the contract two down.

The declarer missed an elementary safety play at trick one. He should cover West's lead with dummy's King. This operates, as it were, a delayed Bath Coup. East is forced to take, and now cannot lead another heart except at the cost of a trick. He leads a diamond, the Ace wins, and declarer leads a club as before. East takes and leads another diamond, but now South can afford to lose to West's Queen, because he still has control of the hearts.

This is not the first time I have seen this coup missed—the significance of the ten in dummy in such positions seems not to be appreciated by the average player.

The next deal, though not a standard position like the last, responds to reasoned analysis, but the South player failed to find the solution:

```
            N.
          ♠ A Q 2
          ♡ 4
          ◇ Q 5 4 3
          ♣ A J 10 8 4
  W.                  E.
♠ 10 7 6 4 3        ♠ K 9 5
♡ J 6 2             ♡ K Q 10 9 8 3
◇ A J 9             ◇ 10
♣ 6 2               ♣ 9 7 3
            S.
          ♠ J 8
          ♡ A 7 5
          ◇ K 8 7 6 2
          ♣ K Q 5
```

With both sides vulnerable, South dealt and bid one diamond, North replied with two clubs, and East came in with two hearts. South raised to three clubs, North jumped to four diamonds, and the opener, in spite of his minimum, bid the diamond game.

West led the two of hearts, and South took East's Queen with his Ace. Placing East with the diamond Ace in view of his overcall, declarer ruffed a heart in dummy, and returned the diamond four, covered by ten, King, and Ace. West switched to a spade, but South won with dummy's Ace, drew another trump to learn the bad news, and now tried to get rid of his spade loser on clubs. But West ruffed the third round of clubs, and led another spade to defeat the contract.

The declarer was too concerned with losing only one trump. He can afford to lose two trumps, provided that he does not also lose a spade. At trick two he should lead a trump to dummy's Queen. If West has the Ace, he must duck; if East has it and wins, he cannot attack spades. When the Queen wins and East's ten falls, South plays three rounds of clubs. West ruffs the third round and leads a spade, but declarer wins with the Ace in dummy, discards his spade on a fourth club, and wins the rubber.

# HOW TO SPEND IT by Lucia van der Post

## Keep the kids cool, comfy and curious

Drawings by Celia Baker

THE long summer holidays are with us and though we can't always be sure of weather to match, most children at some stage need a few special hot-weather clothes. Though the British store still indulges in the apparently mad system of seling off at cheap prices most of the summer stock before the main part of the summer is under way, some of the better stores still do have some very attractive beach clothes in their children's departments.

If you're looking for something special for the beach, something with a touch of the continental about it, Harvey Nichols of Knightsbridge has a very attractive children's wear department. Most of the clothes are too special and too expensive to consider dressing a child there for everyday but for the odd special occasion outfit, I can't think of a better place to go.

Sketched here is a selection of beachwear; most of which comes from Italy, which is exceptionally attractive. *Because of the recent good* weather Harvey Nichols can't guarantee that every piece sketched here is available but there is a good selection of similar wear.

Left, the strawberry bermuda shorts are part of a complete strawberry range. Made from 82 per cent nylon, 18 per cent elastine, they cost £9 for ages two to eight. The cotton T-shirt also has the strawberry theme and is in cotton, £5 (p+p 80p), for ages two to 16.

Right, the Scubidu bikini pants come in brightly-coloured cotton and are £3 for ages four to 12. The T-shirt is also in cotton and has a satin and lace pierrot face featuring large on the front, £15 for ages eight to 14 (p+p 80p). The quilted satin pouch bag with the moulded pierrot head is £12 (p+p 80p) and matches the yellow, green or orange background of the chosen T-shirt.

MOST PEOPLE'S experience with small children is that they, the parents, tend to get carried away and buy a whole host of equipment, much of which is of dubious merit and which they find is quickly outgrown. Any attempt to find furniture which doesn't have this built-in obsolescence is therefore worthy of attention.

Westnofa, a company specialising in marketing Norwegian furniture of that name, has at the moment a very interesting chair called the *Tripp Trapp* which is designed to see a baby through its babyhood, childhood and then on into adulthood.

The chair is the result of years of study by a young Norwegian designer, Peter Opsvik, who discovered that 15 per cent of all school-age children suffered posture faults bad enough to warrant physiotherapy and that no less than 60 per cent needed expert treatment for back and other posture troubles later on in life.

He discovered that many of these problems start in childhood because children are not provided with seating that adequately supports their backs. So he set out to design a chair that would be comfortable for long sitting periods, would encourage correct posture and be designed around the human *frame*.

Because children come in all all ages and sizes Peter Opsvik decided that no static dimension would suit every child—he would have to design a chair with adjustable dimensions. So the Tripp Trapp has a footrest and a seat which can be raised or lowered very easily, each fitting into one of a series of grooves in the beech frame, so that various permutations can be achieved to suit various heights and lengths of leg. When the child outgrows the footrest it can be removed altogether and it can then be used as a seat for an older child or adult.

The chair can be used either at the dining-table (there is a high-chair bar and adjustable strap for babies) or as a general purpose chair. The back of the chair is curved to provide firm support.

Besides being designed to cope with all the ergonomic problems of seating children and adults of different ages and sizes, the chair is very nice to look at in a simple, rather Norwegian way. It is made of sturdy natural beech or it can be stained red or brown. It costs £37.38 (the high-chair rail is an extra £5.46) from Westnofa stockists, which include Heal's of 196 Tottenham Court Road, London W1.

NANNY would be amazed at what Clark's have done to some of their children's shoes. They've brightened them up so that they look as appealing as a pop poster. Whether it's all to do with this jogging craze from America or whether a certain French make of shoe has had a subliminal influence on shoe design as a whole. I can't be sure, but today's kids' shoes look quite different from the way they did when my own children were tiny.

If you want to buy your own children some holiday shoes Clark's are a good name to look out for—they combine the old-fashioned virtues of high-standards and care over fittings with this newly-fashionable attitude to colour.

For fair weather there's the Clarks Surfer which has a leather upper and a man-made sole. In brown, stone, blue or claret all with natural contrast, the shoes come in sizes up to 5 for children and up to 5½ for adults. From leading Clark's stockists they are £9.50.

For the wet weather that seems to arrive at some stage of almost every British holiday there are lovely bright red, blue or yellow PVC boots trimmed with Superkids motif and a practical tie-front. Available in infant sizes up to 6 and up to adult size 3, £3.99 to £4.50, from Peter Lord branches.

*BUYING A set of* encyclopaedias is an enormous decision for the average household and yet most families at some stage feel the need of one. Prices start somewhere at around £10.95 and go up to £465 for the most simply bound version of the Encyclopaedia Britannica. So how on earth do you decide?

The Good Book Guide realised that most people were fairly bewildered on the subject and so they commissioned a report on the encyclopaedias on the market. For their spring issue, volume five, Frank Muir reviewed seven of the major volumes for adults, while the current issue, volume six, reviews six of the most reputable volumes for children.

For those who have not yet come upon the Good Book Guide I had better declare its credentials. It was started primarily to draw to the attention of people who were either housebound or lived far from a good bookshop the best *of the current published books.* Not only does it draw the books to their attention — it also guarantees to have the recommended books in stock and to supply them to its readers.

Any orders over £5.00 are posted free of charge and the Good Book Guide itself is published three times a year (i.e., every four months) so that each issue is reasonably up-to-date. The guide has no commercial attachment to any publishing house, takes no paid advertising but makes its selections entirely on the basis of the editors' own views and the recommendations of their panels of experts.

Readers can arrange to receive the Good Book Guide by paying a subscription of £3.50—however, with their first issue of the guide they receive a book-token worth £3.50.

Besides reviewing the books, there is normally a consumer survey of some sort—which is where we came in with the review of encyclopaedias.

*The editors have found the* demand for the survey of children's encyclopaedias to be huge. At the moment there is nowhere for parents to go actually to compare and contrast the volumes available.

Very few bookshops can afford the space to stock them all. Many multi-volume sets are only available through the publishers who use various methods like direct mail shops and doorstep sales, to sell them.

To help make the assessment as fair as possible questionnaires were sent to hundreds of parents and children of all ages and all sorts of different schools. The guide doesn't promote one encyclopaedia at the expense of another but rather has tried to assess the scope, the advantages and disadvantages, of each system.

Readers who would like a copy of either report should write to The Good Book Guide, P.O. Box 28, London SW11, and they will be sent a copy free.

## The grate outdoors

ONE OF the nicest books on the subject of eating out of doors has recently been published. As you can see on the right, I've drawn quite heavily from it for illustrations, which convey the flavour of the book quite well. It's written in a very down to earth manner by Heinz and Geneste Kurth and they call it "Barbecue and the Joy of Cooking on an open fire." They don't assume that you know anything at all about barbecuing so if you are one of the many who have never before tried it, this book will show you how.

They start at the beginning with a discussion of fuels and lighting methods and then lead the reader through the numerous decisions that lie ahead. They show you how to make a simple, improvised barbecue—and I do think it is only sensible to start in this way, rather than to lash out from the beginning on a very expensive elaborate piece of barbecuing equipment.

It is quite astonishingly easy to improvise a very simple cooking device—as the authors point out, even a flower pot and some chicken wire will do, or otherwise some simple bricks and expanded metal, an empty wheelbarrow or a hollowed out pan.

Though portable barbecues are very handy because they require no effort and can be wheeled in and out depending on the weather, I often think the nicest barbecues are those that are built into the garden and become an integral part of *the design. Building one is a* relatively simple do-it-yourself job, providing you don't first have to pull down sections of terrace or wall to fit it in; the two authors lead you carefully through all the steps you need to take. By following their instructions you can build a simple unit, just for cooking, or you can add ledges to provide a working surface, you can add a roasting spit or a complete table as well at which to eat.

From there they take you on to lighting, drinks and then the most important part of all—the cooking, whether in an open barbecue or in a closed smoke-pit. If you think that this is the summer when you really might try and get it all together and you're not quite sure where to start—then I recommend Heinz and Geneste Kurth's book. It is published by Ward Lock at £1.95.

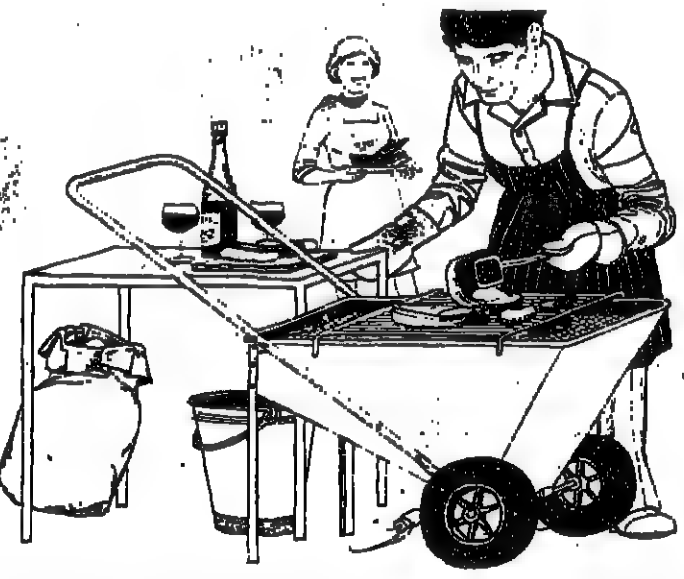
If you really get carried away with the whole idea of eating out-of-doors (and, after all, its great charm is that often it involves turning over the cooking to the man of the house, or even the children, leaving the woman unexpectedly free) then Lea and Perrins commissioned Mary Berry to write a Barbecue Cookbook for them and her recipes will add further to the culinary repertoire. No matter how delicious, most of us tire of plain steaks, chops and sausages and there comes the day when we long for something a little more exotic. Mary Berry has a fund of culinary knowledge and some of her slightly Eastern marinades and other spicy recipes sound very tempting indeed. The book is published in association with Smedley-HP Foods by Martin Books of 8 Market Passage, Cambridge, at £1.25.

If you want to buy some of the professionally-made and designed barbecue equipment that is around you may now have some difficulty due to the propensity of British stores to think the summer ends in the middle of July. Frank Odell is one of the leading importers of barbecue equipment of all sorts and and he will willingly send any reader a leaflet which illustrates everything he sells. Through him you can buy whatever you might need—whether it be the hickory chunks, charcoal, firelighters, party lanterns, skewers or complete barbecues, from the simplest Hibachi to the most elaborate spit-operated device.

He will advise you as to where the things he distributes may be bought but if you cannot find them locally he will make sure you are supplied somehow.

Write to him at Odell, 43-45, Broad Street, Teddington, Middx, TW11 8QZ.

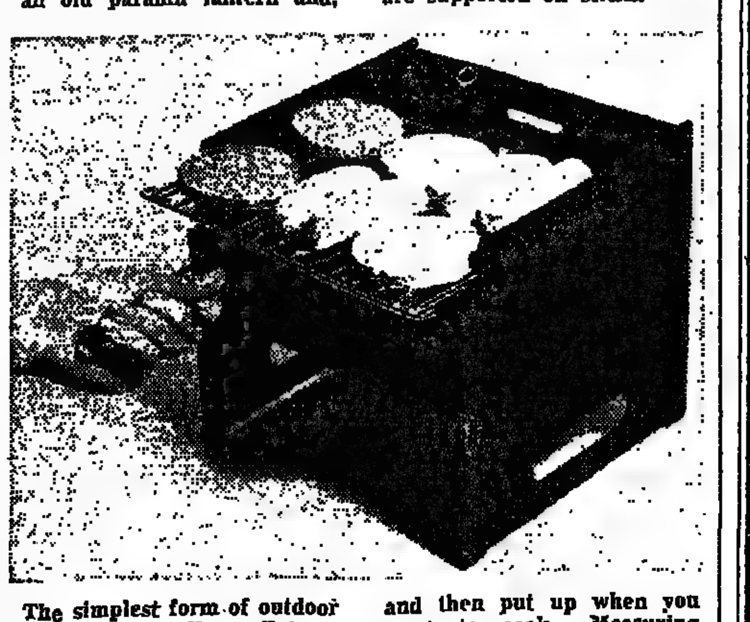
Just to give you some idea of how the appeal of eating out of doors is beginning to spread—Frank Odell tells me that when he first entered the barbecue field four years ago the total barbecue sales in England were running at about 20,000 per year. Last year something like 400,000 were sold.



The illustrations, above and below, have been taken from "*Barbecue and the joy of cooking on an open fire*" by Heinz and Geneste Kurth, published by Ward Lock, at £1.95.

▲ Barbecues don't have to be elaborate and for many people part of the fun of eating out-of-doors is improvising *their* own. If you happen to have a fire-proof wheelbarrow (a plastic version won't do) then you can fill it with earth, top that with pebbles, buy some barbecue fuel and put an improvised piece of expanded metal or a grid from your own cooker over the top and you're ready to start cooking.

A section in Heinz and Geneste Kurth's book deals with lighting and they point out that even under a full moon barbecues need proper lighting. This drawing is taken from the book and illustrates some of the most useful types of lighting—left is a gas hurricane lamp, then an old paraffin lantern and, finally, a paraffin lantern that is pressurised by pumping. All three sorts should be on sale in your local hardware shop. For parties or added glamour you can use flares—Habitat shops usually stock these. The other two lights are formed from glass containers with candles which are supported on sticks.



The simplest form of outdoor cooking of all—a Primus picnic charcoal barbecue which takes only three seconds to erect. It works on a hinge system which means it can be folded as flat as a breadboard for carrying and then put up when you want to cook. Measuring about 10 in wide, 10 in deep and 8¾ in high, it won't really deal with more than about six hamburgers at a time. It costs £5.92 and is available from most hardware shops.

# ARTS

## Folk heroes

Lancashire has always been a fertile forcing-house of folk-heroes and heroines in the field of popular music. In my youth there were people like Gracie Fields and George Formby, both of whom are crying out for extended bio-musical treatment on Radio 2 of the kind accorded on that channel to Noel Coward by Sheridan Morley, a series currently enjoying a re-run. But Gracie's massively out-going style, still potent as was proved by her triumphant return to Rochdale the other day, and Formby's saucy celebration of the voyeur (whether cleaning windows, laundering undergarments or goin' swimmin' among the women) are completely out of tune with what the contemporary young require in a folk hero. He or she must relate much more realistically to the life of working people at work, to have come himself from humble origins and be an artist.

### RADIO

ANTHONY CURTIS

The artist who fulfils all these requirements to perfection is the painter, L. S. Lowry whose paintings of Lancashire factory workers have been celebrated in a song "Matchstalk Men" by the duo Bryan and Michael which was No. 1 in the charts for several weeks last year. These talented pop musicians then added to their initial hit further numbers inspired by Lowry's work and his tough life, to form a popular song-cycle called *The Ballad of L. S. Lowry*, which was the British entry for the Nordring Radio Prize last autumn in Norway. It narrowly missed winning pipped at the post by the entry from Northern Ireland.

There was an opportunity to hear the Ballad on Radio 2 last Tuesday. "He painted factory chimneys high/With matchstalk people walking by/He made them look like you and I"—encapsulated the main message; the lyrics also voiced some more subtle thoughts attributed to Lowry such as, "Looking forward to/well who wouldn't do?/ The role I had to play . . ." and "I can't get no reaction/I can't get no satisfaction . . ." This marriage between balladry and painting, devised by Robin Sedgley and Barrie Forgie who conducted the Norwegian Radio Orchestra, should be encouraged if it can produce more offspring as lively as this one.

A folk-heroine of an older vintage who has a huge influence upon the young in her field is Martha Graham currently with us at the Royal Opera House. A radio portrait of her, compiled by James Roose-Evans, for *Kaleidoscope* in 1976, was opportunely re-broadcast (Radio 4 UK, July 25) this week, and gave some fascinating insights into the mind and art of this amazing octogenarian pioneer of American dance. Mr. Roose-Evans sketched in the details of he life and described the atmosphere of her school and studio in New York while Robert Cohan, artistic director of the London Contemporary Dance Theatre, who has absorbed her influence so fruitfully himself as a choreographer, gave some account of the thinking behind her method. In contrast to classical ballet she brings her dancers down to earth, Mr. Cohan explained; the points and raised arms of the classical dancer imply a distancing from the earth in Graham's eyes, whereas her sometimes barefooted dancers make a vital connection with the earth. Heady stuff!

Another exciting thing that is happening in the theatre at present is the discovery of T. S. Eliot's plays by a new generation and the reappraisal of them by those who saw them in the rather pious original productions approved by the poet. I feel that Jane Morgan's handling of *The Cocktail Party* on radio this week (Radio 3, July 26) will pave the way for the revival of the play in London. It had a superb Harcourt-Reilly in Jack May, an actor we see and hear far too little of these days. Alec Guinness who created the role played this doctor of the spirit as a crypto-T. S. Eliot, that is, as an ironist who knew far more than he was prepared to divulge. Mr. May played him without the overtones, simply as a healer who knew almost as little as his patients and who was as baffled as they were. This made much of the play even more unnerving.

## Buxton comes into its own

On July 30 Buxton celebrates its most important day for many years with a performance of *Lucia di Lammermoor* in the spankingly refurbished Opera House. After a burst of glory in the late 18th century when the local Dukes of Devonshire made a game attempt at converting the town into a northern rival to Bath, based around its efficacious waters, and a revival a century later when the rich northern industrial barons used it for rejuvenation, Buxton suffered a decline—a decline which can now be appreciated as a good thing because it meant that no developer in the 1960s considered it worth decimating its 18th century crescent and square or its Victorian pavilion.

So Buxton stood, little changed in its centre for a couple of generations, waiting for someone to appreciate its style, and not least its Opera House, which had been built near the end of its halycon days, in 1903, to the designs of Frank Matcham, the architect now greatly appreciated for his lively, eclectic touch with theatre, and responsible for the Palladium and Coliseum in London as well as a hundred more flamboyant theatres throughout the provinces.

Malcolm Fraser, a lecturer in opera at the Royal Northern College of Music, came across it in 1976 when its prospects looked particularly bleak. The Opera House was owned by a local cinema chain which was considering knocking the inside into two small cinemas, although the exterior was legally protected. Fraser's lobbying for survival coincided with a reawakening among the Buxtonians, and in one of the few local government changes to bring any benefit, the new authority in High Peak had the inclination and, slightly, larger resources to join in the salvation of the Opera House. Ove Arup was called in as architects and engineers, and Bovis as builders. An appeal was launched, most of the £500,000-plus needed was gathered in, and the first Buxton Festival, lasting two weeks, starts on Monday.

Music director and conductor Anthony Hose, with soprano Monica Pick-Hieronimi and festival director Malcolm Fraser

The rush has created problems, not least the £150,000 which is still required to pay the bills. There was also a shortage of time in securing the best British singers, which was Fraser's first aim. He is acting as festival director, a role he will almost certainly officially assume. So a German soprano, Monica Pick-Hieronimi, joins an Italian tenor, Fausto Tenzi, and a Finnish baritone, Kari Nurmela, in their joint British debuts in *Lucia*. The conductor is Anthony Hose, who is also the music director of the festival.

One aim has been achieved. Fraser, aware of the proliferation of festivals, many with no very obvious reason for being, decided that the Buxton Festival should reflect the influence of a great writer on the arts in general. This year the writer is Sir Walter Scott, who precipitated 40 operas, of which Donizetti's *Lucia* is perhaps the best known. Unfortunately time again prevented the appearance of *Rob Roy* as the theatrical party piece — instead *The Recruiting Officer*, by the Bristol Old Vic, is on offer, although there will be films based on Scott's novels and talks about the man, as well as an art exhibition in the revitalised Buxton Art Gallery, sponsored by Sotheby's, and depicting 30 major paintings, by Landseer, Millais, and Delacroix among others, based on Scott themes.

But the centrepiece is the *Lucia* and the Opera House. The building is probably the most intriguing original theatre in the country. It is intimate—just under 1,000 seats—and has been restored as near as possible to its initial appearance, even down to the colour and weave of the carpets. Fortunately almost everything was intact, including Matcham's skill in combining art nouveau glass against classical backgrounds. With a painted glass canopy, and more glass in the municipal conservatory, which sides the building, the first nighters are certain of a visual treat. The only major innovation, the creation of a pit for over 80 musicians (from the Manchester Camerata for *Lucia*), has been tidily achieved. To all intents and purposes the nymphs in the paintings, the classical graces sculptured to the ceiling; the white and gold, matched with blue, brown and green create a theatre as escapist and confident and flamboyant as in its Edwardian heyday.

There is also a great tradition. In the late 1930s Lillian Baylis chose Buxton as a summer refresher for her Old Vic Company. Sir Alec Guinness in *Hamlet* is just one of the memories on the large stage which has also hosted Mrs. Patrick Campbell, Sir Johnston Forbes-Robertson, and Pavlova, stopping off to entertain the affluent visitors. If ever a theatre has memories it is the Opera House at Buxton.

Buxton should prosper. Its position on the edge of the Peak District, and the highest market town in the country, is the kind that appeals to festival goers; it has an abundance of performing places (but perhaps a shortage of modernised hotels); there is a third of the population of the country within 50 miles; and there is plenty of enthusiasm. Next year the festival will be expanded to four weeks, and will probably concentrate on Shakespeare's influence. By 1981 there should be six weeks of the arts, and Wilde is among the writers being considered. The whole enterprise has a feeling of achievement—so much has been done in such a short time, nothing can stop it now. So the fact that the festival, with an expenditure of £140,000, has a £20,000 deficit is immaterial against the reality of the completed Opera House.

ANTONY THORNCROFT

## Clockwork battleship ticks over

Perhaps the most enchanting item sold in London yesterday was a tinplate clockwork battleship—The King Edward VII—by Ernst Plank which made £1,200. No doubt the deck superstructure and fittings which include gun turrets and a lifeboat will give the private collector who bought the 1903 battleship endless pleasure.

Old Masters at Christie's sold to the tune of £113,840. "Smalschips and a Royal yacht in a stiff breeze" signed by G. Pompe and dated 1686 made £3,500. A Continental dealer paid £2,700 for an interior of a cathedral by P. Neeffs and £2,600 for a portrait of a lady by Mattier. A pair of flower works by Arellano fetched £2,000, a dentist at work by Albert Delerive went at £1,700 and a Continental buyer gave £1,700 for a portrait of a lady by G. Coques.

Silver at Phillips totalled £78,672. Koopman gave £6,000 for a pair of George III entree dishes, covers and handles and £5,400 for a Charles II silver gilt jug. A private collector bought an 18th Century German gilt sugar box for £4,500 against a top pre-sale estimate of £3,000.

### SALEROOM

PAMELA JUDGE

Military and Naval campaign medals and gallantry awards were sold by Sotheby's for £93,189. The Royal Berkshire Regiment gave £9,000 for a Great War Victoria Cross group of eight medals awarded to Sergeant James Welch of the regiment. A Victorian silver breast star, The Most Ancient Order of The Thistle was bought by Spinks for £2,200. A group of 14 miniature badges including a Brunswick Order of Henry the Lion went to a German buyer at £2,000. The National Army Museum bought several lots including Pingo's medal for the taking of Louisburg, Canada, 1758, for £390.

The two-day art reference books sale ended with a total of £48,441. A history of Oriental carpets before 1800 was sold to a New York buyer at £3,000.

# TV/Radio

† Indicates programme in black and white

## BBC 1

7.15-8.30 am Open University (Ultra high frequency only). 8.55 Mister Men. 9.10 Boss Cat. 9.35 Tabitha. 10.00 Horseback. †10.25 "Lost in Alaska" starring Abbott and Costello. 11.35 "Thunder Over the Plains" starring Randolph Scott. 12.59 pm Weather.

1.00 Grandstand: Rugby League (1.05) New Zealand v Great Britain; Spartakiade 79 (1.20) from Moscow; Racing from Ascot (1.50, 2.25, 3.00); Show Jumping from Hickstead (2.05, 3.30); Athletics (2.40, 3.30) The Sunsilk WAAA Championships; Swimming (3.30) The Optrex ASA Championships; 5.00 Final Score.

5.10 News.

5.20 Sport/Regional News.

5.25 The Hardy Boys and Nancy Drew Mysteries.

6.15 Juke Box Jury.

6.45 Saturday Night at the Movies: "Masquerade" starring Cliff Robertson.

8.25 Seaside Special.

9.15 Sword of Justice.

10.05 News.

10.15 The Voyage of Charles Darwin.

11.15 The Quest.

All Regions as BBC1 except at the following times:

Scotland—12.05 am News and Weather for Scotland.

Wales—12.05 am News and Weather for Wales.

Northern Ireland—5.20-5.25 pm Sport / News for Northern Ireland. 12.05 am News and Weather for Northern Ireland.

## BBC 2

7.40 am-2.45 pm Open University.

2.50 pm Saturday Cinema: "The Love Lottery" starring David Niven.

4.15 The Sky at Night.

4.35 Open Door.

†5.05 The Great Adventure.

6.15 Network.

6.45 Einstein's Universe by Nigel Calder, with Peter Ustinov.

8.40 News and Sport.

8.55 Young Musicians of the World.

†10.15 Masters of Terror: "Night Monster" starring Bela Lugosi.

11.25 News on 2.

11.30 Masters of Terror: "The Devil Rides Out" starring Christopher Lee.

## LONDON

8.45 am Sesame Street. 9.45 The Fantastic Four. 10.00 Superman. 10.30 "Three Hundred Spartans" starring Richard Egan and Ralph Richardson.

12.30 pm World of Sport: 12.35 International Sports Special (Part One) The Tour de France plus Water Skiing, followed by Australian Pools Check: 1.15 News from ITN: 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Warwick: 1.45, 2.15 and 2.45 from Newcastle: 3.10 International Sports Special (Part Two) Gymnastics, plus Motor Cycling: 4.00 Wrestling; 4.55 Results Service.

5.05 News.

5.15 Cartoon Time.

5.30 Bonkers!

6.00 Chips.

7.00 Steve Jones Game Show.

8.00 Cannon and Ball.

8.30 Sale of the Century.

9.00 Charles Endell Esquire.

10.00 News.

10.15 Police Woman.

11.10 Soap.

11.40 M'Lords, Ladies and Gentlemen.

12.10 am Stars on Ice.

12.40 am Close: Personal choice with Michael Burrell.

All IBA Regions as London except at the following times:

### ANGLIA

9.35 am Talking Bikes. 10.00 Kum Kum. 5.15 pm Happy Days. 5.45 Bonkers! 6.15 How the West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 Fantasy Island. 11.10 M'Lords, Ladies and Gentlemen. 11.40 Police Surgeon. 12.10 am At the End of the Day.

### ATV

8.55 am The Do-Gooders. 9.25 Talking Bikes II. 10.00 Superman. 5.15 pm Bonkers! 5.45 Cannon and Ball. 6.15 Sale of the Century. 6.45 The Cuckoo Waltz. 7.15 Saturday Cinema: "Terror on the 40th Floor." 10.15 Lou Grant. 11.10 M'Lords, Ladies and Gentlemen. 11.40 Devine Country.

### BORDER

9.35 am Jabberjaw. 10.05 Bailey's Bird. 5.15 pm Sam. 5.45 Bonkers! 6.15 How the West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 Late Film: "Cat Ballou." 12.00 M'Lords, Ladies and Gentlemen.

### CHANNEL

5.15 pm Puffin's Pla(i)ce. 5.19 Mork and Mindy. 5.45 Bonkers! 6.15 How the West Was Won. 10.15 What's On Next. 10.45 Feature Film: "The Moon Is Down."

### GRAMPIAN

9.00 am Cuir Car. 9.30 Sesame Street. 5.15 pm Mork and Mindy. 5.45 Bonkers! 6.15 How the West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 11.10 M'Lords, Ladies and Gentlemen. 11.40 Reflections. 11.45 Barney Miller.

### GRANADA

9.25 am The Do-Gooders. 10.05 Happy Days. 5.15 pm Sam. 5.45 Bonkers! 6.15 How the West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 Hawaii Five-O. 11.10 M'Lords, Ladies and Gentlemen. †11.40 The Late Film: "Pretty Baby."

### HTV

9.05 am Parents Day. 9.30 Beachcombers. 9.55 Mr. Magoo. 10.05 Batman. 5.15 pm Mork and Mindy. 5.45 Bonkers! 6.15 How the West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.35 S.W.A.T. 11.10 M'Lords, Ladies and Gentlemen. 11.40 The Electric Theatre Show.

HTV Cymru/Wales—As HTV General Service except: 5.15-5.45 pm Pwy Fase'n Meddwl?

### SCOTTISH

9.35 am Talking Bikes. 10.00 Cuir Car. 5.15 pm Bonkers! 5.45 Cannon and Ball. 6.15 Sale of the Century. 6.45 Mind Your Language. 7.15 How the West Was Won. 10.15 Power Without Glory. 11.10 M'Lords, Ladies and Gentlemen. 11.40 Late Call. 11.45 Police Surgeon.

### SOUTHERN

9.00 am Sesame Street. 10.00 Bailey's Bird. 10.27 Regional Weather Forecast. 5.15 pm Mork and Mindy. 5.45 Bonkers! 6.15 Sale of the Century. 6.45 How the West Was Won. 8.30 Cannon and Ball. 10.15 Soap. 10.45 Sidestreet. 11.40 Southern News.

### TYNE TEES

9.05 am Saturday Shake-up. 9.10 Space 1999. 10.05 Saturday Shake-up. 10.15 Saturday Movie: "Ferry To Hong Kong." 12.15 pm Saturday Shake-up. 5.15 Happy Days. 5.45 Bonkers! 6.15 How the West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 Police Story. 12.00 The Odd Couple. 12.30 am Epilogue.

### ULSTER

5.15 pm Sam. 5.45 Bonkers! 6.15 How the West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 Fantasy Island. 11.10 M'Lords, Ladies and Gentlemen. 11.40 Sports Results. 11.45 Barnaby Miller.

### WESTWARD

9.30 am Untamed World. 9.55 Look and See. 10.00 Rocket Robin Hood. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.15 pm Westward News. 5.19 Mork and Mindy. 5.45 Bonkers! 6.15 How the West Was Won. 10.15 What's On Next. †10.45 Feature Film: "The Moon Is Down." 12.20 am Faith For Life. 12.25 West Country Weather.

### YORKSHIRE

9.00 am Cartoon Time. 9.10 Spiderman. 9.30 Space 1999. 5.15 pm Mork and Mindy. 5.45 Bonkers! 6.15 How the West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 Film: "Get Carter." 12.15 am M'Lords, Ladies and Gentlemen.

## RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.03 Playground. 8.00 Ed Stewart. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock On (S). 5.30 It's Rock 'N' Roll (S). 6.31 In Concert (S). 7.30 Chris Jones. 10.00 Al Matthews. 12.00-5.00 am As Radio 2.

## RADIO 2

5.00 am News Summary. 5.02 Paddy O'Byrne (S). 8.05 David Jacobs (S). 10.02 Kevin Morrison (S). 12.02 pm Ernie Wise with Star Choice (S). 1.02 The Impressionists. 1.30-6.00 Sport on 2: Spartakiade. Eighth day of dress rehearsal for the 1980 Olympics; Racing from Ascot (1.30, 2.30, 3.20, 3.50, 4.50) plus classified check at 5.45: Show Jumping (1.30, 2.15, 3.15, 4.15, 5.30) The Embassy Nations Cup Meeting; Athletics: AAA championships; plus news in Cricket, Motor Racing, Golf, Swimming. 6.03 The Irish Music Scene. 7.02 Three in a Row. 7.30 Sports Desk. 7.33 Radio 2 Top Tunes (S). 8.30 Nat Whitworth and the New Million Airs (S). 9.30 Saturday Night with the BBC Radio Orchestra (S). 11.02 Sports Desk. 11.05 Rev Moore with The Late Show (S) including 12.00 News. 2.02-5.00 am You and the Night and the Music with Colin Berry (S).

## RADIO 3

‡7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.25 Dohnanyi and Liszt piano recital (S). 11.15 Bandstand (S). 11.45 William Walton (S). 1.00 pm News. 1.05 Mozart and Beethoven Violin and piano recital (S). 2.00 Beecham's Strauss. 3.00 "Solomon," serenata by Boyce, part 1 (S) 3.50 Interval Reading. 4.05 "Solomon," parts 2 and 3. 5.00 Jazz Record Requests (S). 5.45 Information is Power: discussion between Sean MacBride and Sir Charles Curran. 6.30 The Classical Guitar (S) 7.20 Proms 79 part 1: Smetana, Bridge, Williamson (S). 8.25 Words, Words, Words with Ian McKellen (S). 8.45 Proms 79 part 2: Dvorak (S). 9.40 From the Hungarian (interview with Miklos Vajda). 10.15 Songs for Shakespeare (S) 10.55 Delius and Rachmaninov Cello and piano recital (S) 11.55-12.00 News. VHF only—6.00-8.00 am Open University.

## RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather: programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Yesterday in Parliament. 8.58 Continental Travel Information. 9.00 News. 9.05 International Assignment. 9.30 The Week in Westminster. 9.55 News Stand. 10.15 Daily Service. 10.30 Pick of the Week (S). 11.20 Time for Verse. 11.30 Wildlife. 11.55 Sounding Off. 12.00 News. 12.02 pm Away From It All. 12.27 You've Got to be Joking says Cardew Robinson. 12.55 Weather: programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 Origins: The Tomb of Horemheb. 2.30 Saturday Afternoon Theatre: "A Collier's Friday Night," by D. H. Lawrence. 3.25 My Delight with Bob Grant. 3.30 Does He Take Sugar? 4.00 The Magic of Music. 4.45 Letter From Tibet. 5.00 Kaleidoscope Encore. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with pianist Moura Lympany. 6.50 Stop the Week with Robert Robinson. 7.30 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 A Word in Edgeways. 11.00 Lighten Our Darkness. 11.15 Dear Me by Peter Ustinov. 11.45 Just Before Midnight. 12.03 News.

## BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; Weather, traffic, shopping, sports news. 8.15 The London Gardener. 8.30 London Country. 11.30 The Robbie Vincent Show. 2.00 pm Sounds Good. 3.30-5.00 am: Join Radio 2.

## London Broadcasting

5.00 am Morning Music. 7.00 A.M. with Dickie Arbiter. 10.00 Jellybone. 1.00 pm Sportswatch. 6.00 The London Interview. 7.00 Geet Mala: programme for London's Asian Community. 8.00 Monty at Large. 9.00 London Rules. 9.30 City Week. 10.00 Nightline. 1.00-5.00 am Night Extra.

## Capital Radio

6.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 3.00 pm Mike Smith's Afternoon Delight (S). 6.00 Greg Edwards' Soul Spectrum (S). 9.00 Nicky Horne's Six of the Best. 12.00 Mike Allen's Midnight Special (S). 4.00 am The Collection (S).

## TV RATINGS w/e July 22

UK TOP 20 (viewers m)

| | | |
|---|---|---|
| 1 | Coronation St. (Wed) (Gran) | 13.20 |
| 2 | Coronation St. (Mon) (Gran) | 13.05 |
| 3 | Comedians (Gran) | 12.10 |
| 4 | Crossroads (Wed) (ATV) | 11.85 |
| 5 | Crossroads (Tue) (ATV) | 11.80 |
| 6 | Crossroads (Thur) (ATV) | 11.60 |
| 7 | Crossroads (Mon) (ATV) | 11.55 |
| 8 | Sapphire and Steel (Tues) (ATV) | 11.30 |
| 9 | Mallens (Gran) | 11.15 |
| 10 | Sapphire and Steel (Thur) (ATV) | 11.00 |
| 11 | Last of the Summer Wine (BBC) | 10.85 |
| 12 | Seaside Special (BBC) | 10.85 |
| 13 | Don't Just Sit There (Yorks) | 10.50 |
| 14 | Spooner's Patch (ATV) | 10.45 |
| 15 | Krypton Factor (Gran) | 10.00 |
| 16 | News at Ten (Wed) (ITN) | 9.95 |
| 17 | Oh Boy! (ATV) | 9.85 |
| 18 | Nine O'clock News (Thur) (BBC) | 9.80 |
| 19 | Kids (LWT) | 9.75 |
| 20 | Horse Show (Tue) (BBC) | 9.40 |

Figures compiled by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP 10 (Nielsen ratings)

| | | |
|---|---|---|
| 1 | Three's Company (comedy) (ABC) | 20.7 |
| 2 | Fantasy Island (drama) (ABC) | 19.7 |
| 3 | War Games (film) (ABC) | 18.6 |
| 4 | Laverne and Shirley (comedy) (ABC) | 18.0 |
| 5 | Mork & Mindy (comedy) (ABC) | 18.0 |
| 6 | Vegas (drama) (ABC) | 17.5 |
| 7 | Charlie's Angels (drama) (ABC) | 16.9 |
| 8 | 13 Queen's Blvd. (drama) (ABC) | 16.7 |
| 9 | Monday Night Movie (ABC) | 16.4 |
| 10 | Happy Days (comedy) (ABC) | 16.2 |

### CHESS SOLUTIONS

**Solution to Position No. 278**

White draws by 1 N-Q6, P-Q7; 2 K-B2! (so that if P queens 3 N-B7 ch and 4 N-N5 ch with perpetual check). If now 2 . . . K-N4; 3 N-K4 ch, KxP; 4 NxP draws, while if 2 . . . P-N4? 3 N-B5 ch, K-N3; 4 N-K3 stops Black's pawn and wins.

**Solution to Problem No. 278**

1 R-N2 (threat 2 N-N3), N-B4; 2 P-B3, or if N-R5; 2 Q-KB4, or if N-K4; 2 N-Q6, or if B-K4; 2 Q-QN1.

## WEEKEND CHOICE

SATURDAY Two new ITV series start tonight: **Cannon And Ball** featuring a pair of stand-up comedians from Oldham, and **Charles Endell Esquire** which uses as its central character one of the secondary figures from the 1971 Budgie series. They may cheer up a summer so far notable for very dull TV. BBC2 has done best and makes another unusual offering tonight: **Young Musicians Of The World** featuring five soloists all between the ages of 13 and 17.

SUNDAY brings even more new series from ITV: **Face The Press** goes national at noon and is followed by **Heritage In Danger** which looks at the fate of historic buildings. **Doctors And Nurses** at 5.15 does a Bugsy Malone on hospitals, using children to play the staff, **Tropic** adapted from Leslie Thomas's "Tropic Of Ruislip" starts at 9.00, and at 9.30 a new series called "Screenplay" begins with **Gossip From The Forest** which is adapted and directed by one of television's few auteurs of real stature: Brian Gibson. Don't miss it.—C.D.

# BOOKS: CRIME FICTION FOR HOLIDAY READING

## Poe-faced

BY C. P. SNOW

**The Facts in the Case of E. A. Poe by Andrew Sinclair. Weidenfeld and Nicolson, £5.50. 181 pages**

Mr. Andrew Sinclair's new novel is not in the narrow sense a detective story, though it contains a double-stranded investigation. Our nineteenth-century predecessors would probably have called it a sensation novel.

Ernest Albert Pons is living under the delusion that he is Edgar Allen Poe. He looks like Poe, he dresses like Poe, he knows the entire canon by heart. Unlike Poe he is not poor. He is Jewish, and when he was a child his whole family were killed in Auschwitz, except for his mother and himself. Somehow they were got away to America, and there made a simple change in their surname from Ponz to Pons. His mother has left him half a million dollars. He is 45, does an unexacting job (from which he resigns in a huff), though he has no need to work.

His emotional energies are all pre-occupied with his double life Pons-Poe. This is becoming a strain. Does he really want to lose it? He doesn't know, but reluctantly searches the roster of Manhattan psychiatrists. He is trying to discover if there could be a psychiatrist with the name of Poe's great detective, Dupin. There is just one. Pons becomes his patient.

They do not like each other. This is made naked in the nerve-quivering Poe manner. Dupin finds Pons tiresome and thinks he could escape the delusion if he had a semblance of will. Pons is suspicious of Dupin and increasingly believes that he is plotting against him. However, Dupin lays down a course of therapy. Pons is to visit everywhere that Poe once lived, discover all the ascertainable facts, write an objective account. Thus Pons, if he is not too far gone, will have to accept the differences between himself and his doppelganger.

To an extent, the prescription works. Pons finds much information about Poe and makes comments full of understanding. Incidentally, the comparison of Baltimore, Boston, Philadelphia, New York in 1979 with the cities that Poe knew, is done with extreme vividness. But Dupin cannot leave well alone. He prepares a shock of violent therapy. It is certainly violent, but not therapeutic, and the book comes to a suitably Poe-like end.

The best judged criticisms of the book are provided in an epilogue, written by Andrew Sinclair himself in the role of editor of Pons's manuscript. Sinclair could have been warmer with praise, but his evaluations are just. The biographical treatment of Poe, founding father of the detective story, could have stood on its own.

Poe's "The Murders in the Rue Morgue" illustrated by the modern Danish artist, Arild Rosenkrantz

Granted that it gives Poe the benefit of several doubts, it is as good a short biography as we are likely to get. The interaction of writer and subject provides sharp lessons in biographical method. The study of delirium is executed without fuss. The book is a bravura performance, exhibiting the virtuosity that has lit up all Sinclair's work.

It makes one impatient for a book which will call for the full stretch, and the complete fusing, of the complete range of Sinclair's talents. He has a good mind, under scrupulous intellectual control. He has a lot of verbal exuberance, sometimes not under such control. He has a powerful romantic imagination, with a Gothic streak not far away.

This particular combination wouldn't be easy for any writer to handle. For immediate impact, writers are lucky if they have just one streamlined gift. It need not even be a great gift—so long as the writer knows what he can do, then a reader feels a corresponding confidence. Multifarious talents—even propelled by strong personalities such as Sinclair's, who from his writing suggests a good share of resolution and daring—have a harder time making their mark with their own personal signature. Yet when they do put it all together, as today's games players like to say, they are far more worthwhile than those who are confined to their tramlines and don't have the impulse or equipment to break away.

That is why Sinclair's future is so interesting to watch. It is easy to see some of the fields where he could be in the highest class. Probably none of them would satisfy him. He could be a masterly thriller (or detective story) writer. He has shown, even on subjects which are not ideal for him, that he could be a fine biographer. He could do almost any kind of personal history. But it is no use other people trying to influence what a good writer should do next. He knows, and we don't.

## Milano again

BY RACHEL BILLINGTON

**Star Light, Star Bright by Stanley Ellin. Jonathan Cape, £4.95. 211 pages**

*Star Light, Star Bright* opens in downtown Manhattan with our detective hero, Johnny Milano, taking delivery of "a diamond-and-emerald job insured for 120 thousand." After turning aside the fence's gun "aimed rather shakily in the direction of my jockey shorts" he hands over aforesaid diamond-and-emerald job to rightful owner and proceeds to his agency for next assignment.

The next assignment continues with none of these gripping themes. It is, however, the subject of the rest of the novel. Only a writer as confident as Stanley Ellin would dare titivate his readers with such a red herring.

Nor is that the end of it. The next assignment which takes us to a millionaire's hideaway in Miami (via V.I.P. lounge and Mercedes limousine) appears to hinge on a Marilyn Monroe style film star called Sharon Bauer. A few years ago, Milano and she had a torrid love affair. "Her perfume was Fleurs de Rocaille; and her way of using it was simply to drench her underclothes with it . . . a reckless dousing of it all over that minimum of brassière and panties, take it and like it."

Milano took it and liked it and then Miss Bauer took off—to become Mrs. Sharon Bauer Quist. It is Mr. Quist who has summoned Milano to solve his *problems. A $20,000 fee* for two days. Reluctantly Milano allows himself to be persuaded. You can hate a lady who's kicked you in the teeth (or wherever) only so far. Since Mr. Quist, as well as being a millionaire, is old and confined to a wheelchair, the scene seems set for a re-run of torrid affair.

This is another red herring. Sharon Bauer Quist is at the hideaway all right and even surprises Milano in the bath with Fleurs de Rocaille on offer. But that's as far as it goes.

The story is actually about a house-party of weird guests, of whom the weirdest is being threatened with murder in two days time. He is called Kalos Daskalos and just materialises standing on the sea-shore bidding the sun come up. Weirder still, he forbids anybody to stop death heaving over the horizon. Fate must be allowed to take its course. This makes it tricky for his disciples who, faithful though they are, don't quite see him as a reincarnate Christ.

So in comes Milano, mixing with his own brand of charm among the guests.

"In my line of work you don't often see people at their best."

"I know. Like gynaecologists."

One up to the guest.

Not that Milano is often worsted. Even though the house party consists of a cross section of Hollywood come to pump money from Quist. In fact, swop Miami, Hollywood and Cuban guards for the Home Counties and the fast-talking Milano for a pipe-smoking Holmes and *Star Light, Star Bright* is not too far from a good old-fashioned weekend whodunnit. Except, of course, that the murder is yet to come.

Stanley Ellin breaks a lot of rules. As Milano says, "Always leave them laughing. Or, at least with their mouths hanging open." One thing this book does not lack is panache.

## Cult of Cadfael

BY BRIAN AGER

**One Corpse too Many by Ellis Peters. Macmillan, £4.50. 192 pages**

**The Switch by Elmore Leonard. Secker and Warburg, £4.50. 216 pages**

**Murder in Outline by Anne Morice. Macmillan, £4.50. 192 pages**

Brother Cadfael must surely become a cult figure of crime fiction. *One Corpse Too Many*, is only the second exploit of this worldly-wise monk, but he deserves the sort of devout following which has been reserved for Sherlock Holmes.

In this story of splendid complexity Brother Cadfael is called from tending his monastery herb garden to supervise the burial of the 94 men hanged when Shrewsbury castle falls to Stephen, who is feuding with Empress Maud for the throne of England.

Cadfael discovers that there are 95 instead of 94 corpses. He sets to work to discover the identity of the extra corpse, how, where and why he died and who killed him.

This is only one of Cadfael's problems. He has already spotted that the "boy" sent to help him in his herb garden is a girl. A lot of trouble is being taken to keep her identity secret—no easy task since the monastery has more guests than usual because of the civil war.

Edith Pargeter (Ellis Peters is her pseudonym) has woven the threads of this intricate tale together like a mediaeval tapestry.

Here is a world where piety and violence, splendour and poverty are accepted as normal contrasting parts of life—where religious devotion and trial by combat are entered into with the same fervour.

This setting of historical truth has been peopled by equally realistic characters, including Cadfael playing the part of mediaeval detective with relish.

*The Switch* is something else, very American, very 20th century. Mickey lives the dull, comfortable life of a suburban Detroit housewife. She keeps her marriage going by not arguing, not asking too many questions, not making clever biting replies to the slob she has married.

She does not know how rich her husband is or how he "earns" his money. But, two small-time crooks do. They plan to kidnap Mickey and demand a ransom from her husband.

But there is one thing they have not allowed for—the other woman. When she gets involved in the act the crooks' plans start to go wrong and Mickey starts to grow up and think about living her own life in her own way.

*The Switch* is as fast moving and funny as we expect from Elmore Leonard.

Anne Morice's offering is more pedestrian—even dull. It is a turgid tale set in a private drama and ballet school for girls.

Successful old girl is invited to judge a drama competition and stays on to solve the mystery surrounding the death of one of the inhabitants of this odd educational establishment.

Since the victim is the only interesting and original character in the book I felt that reincarnation would have been the only satisfactory solution.

Ellis Peters alias Edith Pargeter

## Film lady in a fix

BY WILLIAM WEAVER

**The Rose in Darkness by Christianna Brand. Michael Joseph, £5.25. 239 pages**

Sari Morne is an actress. Well, sort of. She made one film, and really didn't even finish that (there had to be a lot of faking with the stand-in, big hats, movements shot from behind, before the final cut and release). But she is beautiful, memorable, and—despite her monumental faults—a lot of fun. She lives constantly surrounded by the Eight Best Friends, a group of fluctuating number and composition, but with a highly-developed, private, indeed cryptic language and a recognisable way of life.

Of course, Sari is a terrible liar. So when she talks about being followed, not even the Eight Best believe her. But when a corpse is found in the back of her automobile, her wild stories become more credible.

Christianna Brand can always be counted on to tell a good story and to tell it in clear, spare style. This *Rose* has all the author's familiar virtues; it also is often extremely funny (there is a trip to Rome on which Sari is accompanied by a would-be, dutiful sightseer — hilarious). The solution comes as a surprise, but is completely convincing.

**The Dirty Area by Nicholas Luard. Hamish Hamilton, £5.50. 233 pages**

This is one of those somebody-assumes-somebody else's identity stories, but Luard makes it work beautifully. Steele, much against his will, becomes Callum. The glamorous, brave, free-living, free-loving (and non-existent) Callum. And as he gets deeper and deeper into the role, and into trouble, Steele changes, toughens, and wins against terrible odds. Luard's fast, spare story is carefully worked-out, and the background — Tangier, Gibraltar, Spain — is vivid, yet never extraneous to the (copious) action.

**Asterisk Destiny by Campbell Black. Michael Joseph, £5.50. 287 pages**

A young man who works in the White House finds out something — very little, at first — about Asterisk, a programme that involves terror and death. The more he discovers, the more terror and death spread. There are spies against spies, East against West, in a complex game. There is also an exciting chase back and forth across the United States. Only the ending is something of a let-down.

**A Mortal Affair by Stella Allen. Collins, £4.25. 196 pages**

This is really two novels. The first is about a doctor who has a disastrous affair, performs an illegal abortion on his mistress, and goes to prison. The second story concerns the doctor's wife, who gets into considerable trouble on her own. In both cases, the author has created credible—if not particularly sympathetic—characters; and the splicing of the two tales is smooth. Serviceable prose.

Campbell Black: escalating terror

**The House Next Door by Anne Rivers Siddons. Collins, £5.50. 346 pages**

A nice young American couple in a nice upper-middle class neighbourhood with nice friends, nice cats. A new house is built next door, and tragedies start striking, one after the other. The blurb mentions *Rosemary's Baby*, so you get the idea: unnameable evil lurking in an ordinary world. This Could Happen to You. Mrs. Siddons known how to tell a story, even if her writing is ladies' magazine purple ("...the classical FM station on my radio weaving a soft shroud of serenity and grace and symmetry around the warm, bright room"). None of this is really believable, but it's hard to stop reading until you reach the end.

**Fix by Leo Clancy. Secker and Warburg. £4.50. 219 pages**

A first novel. Leo Clancy writes with undeniable flair, but his prose is so doggedly full of slang, argot, technical jargon that the reader with little experience of the underworld will find it tough going. The story seems to be about internecine gang warfare, a particularly bloody, terroristic episode. It is recalled by one of the participants (who sees himself in the third person), under some special drug. The recalled scenes of violence alternate with dialogue between the hoodlum and his interrogator. It is all very skilful, but perverse. One awaits Clancy's next (hoping he will show off less).

**The Long Hard Cure by David Anthony. Collins, £4.25. 223 pages.**

In his previous book, *Stud Game*, David Anthony painted—in bright, primary colours—a California world: architects, interior decorators, film people. The new story, equally deft, is set in Virginia, not far from Washington. There is a basic conflict between the old, conservative town and the de luxe mental hospital on its outskirts. Normalcy versus the loonies. When a series of violent attacks culminates in murder, obviously the town believes a patient is responsible. Morgan Butler, called in by a doctor friend to investigate, solves the case, but not until he has uncovered a lot of unpleasantness and made (with us) the acquaintance of a large cast of human-all-too-human characters.



## Heavy squad

BY DEBORAH PICKERING

**The Petrograd Consignment by Owen Sela. Michael Joseph, £5.50, 302 pages**

**Funeral March for Siegfried by Audrey Williamson. Paul Elek, £4.95, 185 pages**

**The Pigeon Project by Irving Wallace, Cassell, £5.50, 383 pages**

Of all the Russian exiles in Zurich in 1917, Vladimir Ilyich Ulyanov was potentially the most dangerous man in Europe. This was the opinion of Commissioner Hartmann of the Foreign Police—the nearest thing Switzerland had to a secret service.

Hartmann had just read a lengthy treatise—written 15 years previously by the Russian exile—in which Ulyanov had called for a world revolution. Recently the man had been attempting to suborn Swiss Social Democrats.

Involved in the task of ensuring that no foreign diplomats, agents, or political castaways engaged in any activity that could prejudice Swiss neutrality, the commissioner decided that the Russian was bad news.

"Given proper support and the right opportunity, that man Ulyanov could change the world," Hartmann forecast.

The Swiss's opinion was endorsed by the German Foreign Office which wanted Russia out of the war. Ulyanov—whom history records as Lenin—was to be the pawn.

Fact and fiction, expertly fused, make up this saga of Lenin's return to Russia with German financial resources and the aid of the German secret service.

There is sex and sadism and skill of narrative in Owen Seela's reconstruction of a Bolshevik's journey home.

Those Germans again . . . a dead one, Wagner, and a company of opera singers. Whether in Bayreuth or London, Richard York, Audrey Williamson's above-the-ordinary bobby, follows his twin passions for music and horseracing. His murder at the opera actually takes place in full view of an unsuspecting audience.

Those *au fait* with the *Ring* and who know their *Götterdämmerung* can play the whodunnit game and may even get the solution before Detective-Superintendent York. Thriller readers and non-Wagnerians may be irritated by the Hagen, Günther, Brünnhilde, Siegfried, *et al* tapestry, more thickly woven than the book's plot. However, the denouement, as they say, is delicious.

Still in Europe, and more heavies, but these are the Soviets, chasing around Venice for an absconding scientist whose newly discovered serum will extend the average life expectancy of every human being to 150 years.

If the latter thought doesn't fill you with dismay then chase through nearly 400 pages of more tangible proof of horror in *The Pigeon Project* when our poor professor finds there are worse things than a beating from Boris.

Latins, Slavs, a collection of Western Europeans, all appear as anxious—and as ruthless—as the Soviets in their pursuit of the Fountain of Youth. If it weren't for the obligatory, ingenuous nice-guy American (PR man for the "Venice Must Live" committee) the professor would have been sunk without trace in one of those canals.

Indeed, after this thriller triptych and underlying theme of a breathless escape from evil across Europe you would be well advised to remember Uncle Matthew's warning that abroad is absolutely bloody.

## Killing stuff

BY ELIZABETH FORBES

**Festival by J. R. L. Anderson. Gollancz, £4.50. 203 pages**

The kidnapping of Jo, nine-month-old daughter of Piet Deventer, *youngest chief* constable in England, has no obvious connection with the death of an unknown girl from an overdose of heroin during the Earl's Down Free Pop Festival. But Piet is certain such a connection exists, and that by tracing the dead girl's identity he will find his daughter. The search leads to the North Cornish coast, where a vividly described shipwreck provides the climax to a well-motivated conspiracy.

**The Duel by Donald Seaman. Hamish Hamilton, £5.95. 296 pages**

Gordon Ramage, Army bomb-disposal expert, and Paul Elvides, Greek terrorist bomb-maker, are old enemies whose paths have crossed in Cyprus, Aden and Northern Ireland. Ramage, now retired, hardly expects to find a sample of Elvides' handiwork on board the Honeymoon Jumbo bound for New York. The final round in the duel between the two men brings them, for the first time, face to face. Technical details of bomb-defusion, graphically presented, build up the tension to an agonising degree.

**A Lonely Place to Die by Wessel Ebersohn. Gollancz, £5.25. 205 pages**

A paranoid schizophrenic *Bantu makes an obvious scape*goat when the son of a South African politician is murdered with poisonous mushrooms. Yudel Gordon, prison psychiatrist, finding the solution altogether too convenient for the MP's family, the police and other white residents of Middelspruit, launches a one-man investigation to find the real culprit. The facts of apartheid in a small, isolated community, soberly described, form the horrifying background to an entirely credible story.

**The Smoking Mirror by Helen McCloy. Gollancz, £3.95. 181 pages**

Normandy and Paris during the fall of France in May and June 1940 are the settings for this atmospheric novel of suspense in which Sergei, Russian-born actor, and Celia, American journalist, meet on the pier at Dieppe, both afflicted with passport trouble. Sergei's fantastic luck — or perhaps his amazing skill—at the gambling table, turns out highly pertinent to the somewhat unlikely plot. The contrast between ordinary, daily life and the tragic events surrounding it, is skilfully drawn.

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# First quarter report

PARLIAMENT is now in recess; but no-one can complain that it has been idle during the first three months of Mrs. Thatcher's administration. On the contrary, the promised revolution in our affairs has been tackled with remarkable energy. Already the higher rates of income tax have been cut at a stroke to normal international levels, and there has been a substantial shift from direct to indirect taxes. The partial sale—or perhaps refinancing—of the productive public sector is clearly to be sweeping, and public spending, by all reports, is to be cut back energetically. Meanwhile monetary policy is determined and sterling sensationally strong.

### Disenchanted

This catalogue reads like a very positive list of achievements much, it might be thought, to the taste of the City; but it has not so far been received in this spirit either in the markets or in the country. Equities have fallen by nearly 18 per cent from their peak. Government stock, despite some sharp ups and downs, has made very little net progress. The Confederation of British Industry is increasingly worried about margins, and the TUC, despite the good manners so far preserved in its discussion, pronounces itself acutely depressed about growth and jobs. Ordinary voters, to judge by the opinion polls, are already disenchanted with the programme they voted for in May.

Mrs. Thatcher gives no sign of any dismay at this response. She would no doubt argue that she was elected to enact a sharp change of direction, and change is always disturbing. Furthermore, by tackling the most unpopular decisions at the beginning of her term of office, she hopes to have time to consolidate the change, as the hoped-for response to her policies, considerably aided by rising production and revenues from the North Sea, will produce the convincing result which will make the change permanent.

### Inherited

In any case, many of the problems now besetting the country are either inherited from the last Labour Government, or imposed externally. Unrealistic wages and public spending plans coupled with an energy crisis and a threatened world recession would pose difficulties for any Government.

All this may be granted, but doubts remain. Even among the Government's closest sympathisers in the City, there are worries. They are of three related kinds. First, the pace set by the Government is itself enough to arouse misgivings. Economies respond slowly to financial and legislative changes, and the present programme may prove indigestible; or to put it another way, Mrs. Thatcher seems to be uncomfortably near the line which separates courage from foolhardiness.

Doubts about the Government's judgment become more acute when they are expressed more technically. There is widespread agreement that the fiscal-monetary balance in Sir Geoffrey Howe's first Budget put too much of a burden on credit restraint. This had two results: high interest rates and an accelerated rise in sterling. The Government's near-panic about mortgage rates and apparent complacency about sterling have not won confidence.

### Prime aims

Finally, the popular response is itself some cause for concern. One of the prime aims of government policy is to create conditions in which wage settlements will reflect competitive realities without the need for interference from Whitehall. In the first weeks since its electoral victory the trade union movement has been confused and subdued in its mood; but if policy is too provocative, the movement may rediscover some militant unity before the bargaining round begins again. In this context a Budget which has raised prices quite sharply, and a financial policy which demands that even highly profitable industries in the public sector must also issue warnings of price rises is widely seen as provocative. Nor is it clear that employers are best placed to resist militancy when their backs are to the financial wall, as many will find with sterling at its present level.

Many Prime Ministers—notably Mr. Edward Heath—have complained of similarly faint-hearted reactions to their initiatives; but the business world has lived too long in post-war Britain to believe in economic miracles. During the recess a good deal could happen to still some of these fears; an easing of consumer credit demand after the spending spree up to June would do much to relieve the financial pressures. Tax rebates, and the consciousness of acute competitive pressure, will do more to foster realism in the labour market than any amount of conversation in Downing Street. But the Government can also contribute. It has made a bold start. If it now consolidates its policies, and shows a subtler appreciation of the technical problems, it may win a more wholehearted response once the holidays are over.

# Long and short term aims of denationalisation

By JOHN ELLIOTT and ANATOLE KALETSKI

A NEW word has been circulating in Whitehall in recent weeks. It goes to the heart of the Government's policy for reforming the ownership and bureaucracy of state-owned industries, but few Ministers will admit to using it.

The word is "privatisation" which, to those close to the centre of Tory thinking, means the Government's well known interest in selling public sector assets to private individuals, financial institutions, and anyone else (apart from foreign interests in some sensitive cases) who might want to buy them.

Already British Airways, British Aerospace, the British National Oil Corporation, and part of the National Enterprise Board have been named as candidates for change which will transform their ownership, their methods of raising capital, and their accountability both to Ministers and to Parliament. The model on which the concept is based is the existing 51 per cent Government stake in BP (itself to be reduced soon).

Other candidates that have been considered include the National Freight Corporations (whose finances are not yet strong enough for private sector exposure) and Cable and Wireless (on which there is apparently no movement at present since Commonwealth consultations which would be necessary have not yet taken place). Ministers are also preparing possible plans for selling the Government's 24 per cent stake in the British Sugar Corporation, and other possibilities will emerge in the future.

Mr. Nigel Lawson who, as Financial Secretary to the Treasury, is the Minister at the centre of the "privatisation" exercise has even talked in the past of the Government selling off considerable amounts of its land. Other ministers, including Sir Keith Joseph, Industry Secretary, have also turned their minds to the question of how to deal with public utilities (like electricity and gas) and monopoly industries (like the Post Office) where the Government has a role in protecting the consumer.

Sir Keith's interest in allowing private sector equipment to be sold for attachment to Post Office telephones and, possibly, in breaking the Post Office's postal monopoly, therefore should also be seen as part of the same overall exercise.

Sales of publicly owned assets do, however, have an immediate importance to the Government. They will make a major contribution to the reduction of the public sector borrowing requirement (PSBR) and to the crusade against the growth of public spending. The sales are an alternative to public borrowing which the City finds more palatable for financial as well as political reasons, since it provides investors with equities. This year the PSBR will be cut by £1bn through the sale of BP shares and NEB shareholdings. The disposal of up to half of British Airways, British Aerospace and BNOC next year would keep up the momentum, by providing up to about £500m of equities instead of gilt-edged stock.

Another financial attraction of what Mr. John Nott, Trade Secretary, calls "taking the whole operation of a nationalised industry out of the Government's balance-sheet" is that this removes these industries' future capital requirements from public spending. Nationalised industries which need external finance, borrow either from the Treasury or from foreign capital markets. In either case their borrowing increases the PSBR and the planned total of Government expenditure.

The Government is committed to reducing by around £4bn a year its predecessors' expenditure plans. Taking the borrowings of Airways, Aerospace and BNOC out of the public sector this year would have cut planned Government expenditure by £340m. Unlike the one-off effect of asset sales themselves on the PSBR, removing an industry's financing from the public sector, provides continuing benefits. In BA's case, Government spending will be reduced by around £200m a year for at least five years.

Calling public expenditure by another name and selling assets instead of borrowing has no real direct effect on the economy. Nevertheless, the advantages are not purely cosmetic. Using equities rather than fixed-interest stock to finance government deficits can reduce the cost of servicing the national debt. Re-allocating industrial borrowing to the private sector can leave a Government that is determined to keep public borrowing below a certain level for fear of crowding out private investment, with more headroom for increasing, or at least maintaining, expenditure on genuine public services.

Ministers insist, however, that their primary interest has been to reduce State ownership for its own sake. "Money raising is a very useful by-product. But what we really want is to provide a better service to the consumer and customer, and to the taxpayer as well," says Sir Keith Joseph who was at the centre of the Tory-policy making on the issue before the election.

Mr. David Howell, Energy Secretary, also referred back to fundamentals this week when he discussed taking private capital in BNOC and said: "One should not confuse State ownership with the furtherance of the national interest—this is our view and it is in contrast with those who believe state ownership is essential for the national interest."

Ministers are also quite open about the way they are dramatically reducing the control and influence that they and Parliament can wield over industries once they have been cast off into the private sector. The change is so radical that it could lead to complaints from MPs once the implications become clear.

The point is that if, as is expected, businesses like Aerospace and Airways are redesignated as primarily private-sector operations, the Minister responsible will represent one (albeit quite often the largest) shareholder. The Minister and his civil servants who in the past have called the shots may keep some reserve powers, but will lose their unilateral right to approve borrowings and investment and research programmes, to appoint all board members and chairmen, fix financial objectives, and appoint auditors. Parliament's ability to call the Minister and those running an industry to account in front of Select Committees will also be reduced.

"The whole purpose is to move the responsibility for decision making from Ministers, who are not equipped for the role, to shareholders and their managements. Ministers are specifically eschewing responsibility," Sir Keith says.

Mr. John Nott, the Secretary for Trade and another enthusiast for the notion of privatisation, has said: "At present, British Airways is in effect controlled by one or two Ministers and the odd Treasury official. That is what public ownership often means. I want to give an opportunity for widespread real public ownership."

The end of ministerial and Treasury surveillance over the running of state industries will have *four* revolutionary consequencies for the financial management of these industries. Each of these factors is now regarded as an argument in its own right for "privatisation," though under past Labour Governments, the same arguments have been stood on their heads and used to justify nationalisation.

First, managements will now make all investment decisions without regard to government macroeconomic and industrial policies. There will be no arm-twisting of the type that BA has suffered over its decisions to buy American rather than European aircraft. Most important, the Government will avoid investment programmes "getting muddled up with the level of the rate support grant," in the words of Mr. Norman Tebbit, a junior Trade Minister. Socialists have traditionally argued for nationalisation precisely because they wanted the Government to co-ordinate "the commanding heights of the economy," and because they believed that the Government's farsightedness would lead to countercyclical investment, and to greater stability for both the nationalised industries and the whole economy. After the past few Governments' performance such claims are understandably muted.

Second, the financial target set for each industry by the Treasury will be abolished. Instead the new companies will simply attempt to maximise profits. In practice this will make little difference to the management of Airways and Aerospace because they have been hard put to meet the Treasury's financial targets. In effect the last Labour government accepted that industries operating in competitive international markets, such as airlines and aerospace, should be told to maximise profits in most of their activities. Whereas the present Government accepts the need to impose other objectives on monopolies, such as electricity, telecommunications and gas, attempts that have been made to use nationalised industries as instruments of anti-inflation and social policy have disillusioned even supporters of nationalisation.

Third, the new limited companies to be formed will have to borrow without government guarantees. Last year's Labour Government White Paper on nationalised industries referred to the benefits of the industries borrowing through the Government on the keenest possible terms. But the official view is now that capital markets should not be distorted in favour of nationalised industries, so borrowing at market rates is seen as another benefit of privatisation. In fact BNOC borrows without Treasury guarantees already and can sometimes obtain terms as fine as the Government because of its oil assets. Airways finances most of its investment through leasing and export credits supported by the U.S. Government. Hence its borrowing costs will not be increased significantly when it is cast off from the Government, although it will have to accept the exchange risk which it currently unloads on the Treasury. But Aerospace may find its financing becoming significantly more expensive.

Fourth, and most important, the newly private industries will have to stand on their own feet in hard times. It is easy to forget as most of the nationalised industries become more prosperous, that most of them began life in the public sector as lame ducks. While Airways may rise to the challenge of private ownership now, a few years ago its profit record would have made a share sale almost unthinkable. Some aerospace companies like Rolls-Royce and Lockheed have needed huge injections of government money in the recent past. Before nationalisation airframe manufacturers owed much of their success to non-economic government purchases of both military and civil aircraft.

Precisely how the whole concept will work in practice has in any case still to be decided because ministers and civil servants have yet to face up to a whole host of decisions. The "privatisation" programme was agreed at a special meeting of the Government's main economic policy committee, with Mrs. Margaret Thatcher in the chair, on Thursday of last week.

Legislation will be introduced to Parliament later this year to change the legal status of the state corporations into private companies and to change their funding and other arrangements so that they are exposed to the rigours of the private sector. Provisions, which have yet to be decided in detail, will be included to allow employees to buy up to 10 per cent of the shares on special terms. The government stake will vary. Aerospace will probably be divided roughly 50-50, while in British Airways the Government will retain a lower stake, somewhere above 35 per cent.

It is not yet known how many bills there will be. The Aerospace and Airways changes might be merged into one statute if inter-departmental complications between Industry and Trade can be worked out. There will also be an Industry Bill dealing with ministerial control of the NEB, whose sales are expected to involve its holdings in ICL, Ferranti, Brown-Boveri Kent, and Fairey (although some sales could go ahead in advance of the legislation). The BNOC will also need a bill once the Government has decided how to "privatise" it and parliamentary orders would be needed if the Government pulls out of British Sugar.

But first there will be consultations with various interests (merchant bank advice has already been sought for some of the sales) and the Government will have to face up to potentially serious trade union opposition in some areas. But Ministers hope that the union opposition will be reduced by the fact that shipbuilding is not being included at this stage and because they have decided for practical reasons not to force the industries to sell off entire sections like naval shipyards or Aerospace's dynamics division.

It will, then, take till next spring or early summer for the bills to go through Parliament after which there will be the legal intricacies of transferring assets to the Government ready for sale. Then prospectuses will be prepared and the sales will take place. But, conscious of some criticism that they might sell shares in too much of a hurry, Ministers are stressing that they will only sell when the time is ripe in terms of the overall share market and the state of the industry involved.

Whether the City will share the Government's view of what is the right moment is of course still very uncertain. Investment institutions' initial reaction seem to be lukewarm towards Aerospace, because of worries about its dependence on governing contracts. They are decidedly unenthusiastic about Airways, especially after Thursday's disappointing profits announcement. Of course there is a price for anything on the stock market, but an Airways disposal over the next two years before several more years of big profits would probably mean selling the shares at well below their net asset value.

The wisdom of the whole privatisation campaign depends crucially on the price which the Government's assets fetch. The profits of British Gas and the Government's capital gains on its BP shareholding will finance a significant part of this year's tax cuts and public spending programmes. They are a reminder of the financial benefits that can flow to taxpayers from the public assets that the Government owns on their behalf.

There is a danger that because the Government regards "privatisation" as primarily a political measure, it will overlook the interests of taxpayers, who now own the assets it wants to sell. The Tories have adopted the word "privatisation" in preference to "denationalisation," partly because of its positive connotations of private ownership. The Government's measures might be only the latest stage in the political tug of war over state ownership that followed the earliest nationalisations in the 1940s. Everybody in the industries concerned must be hoping that this latest stage is also the last.

**MAJOR NATIONALISED ENTERPRISES**
(£ million)

| | Pre-tax profits (1978 or 1978-9) | Capital requirements* (1979-80) | External financing required* (1979-80) |
|---|---|---|---|
| **SHARE OFFERS PLANNED** | | | |
| British Airways | 90 | 348 | 172 |
| British Aerospace | 60 | 123 | 53 |
| BNOC | −2 | 265 | 115 |
| **UTILITIES, NATURAL MONOPOLIES** | | | |
| Electricity Council | 351 | 762 | −68 |
| British Gas | 361 | 312 | −449 |
| Post Office | 375 | 1,136 | −110 |
| British Rail | 6 | 221 | 715 |
| **"LAME DUCKS"** | | | |
| National Coal Board | † | 519 | 709 |
| British Steel | −327 | 473 | 700 |
| British Shipbuilders | −56 | 108 | 250 |

* Estimates from financial statement and budget report.
† Reports due in August.

## Letters to the Editor

### Regions

*From Mr. D. Sweet.*

Sir, — Sir Keith Joseph is reported (July 25) as asserting that about 20,000 new jobs have been created each year by regional aid, but that this net gain (sic) was largely offset by consequent losses in other parts of the country.

At a time when employers in the south east are finding it ever harder to recruit desired labour, it is nonsense to consider jobs diverted to development areas as losses. In fact, had those jobs been created in the prosperous areas, as the companies might have preferred, those areas would have been damaged by increased congestion and labour shortages. The purpose and justification of regional policy is not only to benefit depressed areas but also to ease the strain on congested areas: in economic terms, to align internal costs (to the firm) with external costs (to the community) of the location decision.

Thus, at any time that a given region, say the south east, is experiencing congestion in terms of a labour shortage, traffic or land congestion or whatever, any measures diverting new jobs elsewhere are to the benefit of those already in the south east, as much as to those in the receiving regions.

D. J. Sweet.
*Haden Carrier, P.O. Box 14, 7-12, Tavistock Square, WC1.*

### Housing

*From Mr. W. Legg*

Sir,—Samuel Brittan pointed out (July 19) that the greater the extent of regional subsidisation, the more it becomes "robbing Peter to pay Paul."

How much more is this true of the subsidies given to mortgages and council house tenants. Every Government is biased towards its own sectional constituents and any rational suggestion for reform is dismissed as "politically impossible," whatever that means.

We may well see the removal of the various controls in the private rented housing sector. It would be sad if an overall, consistent approach to housing does not occur at the same time. It seems quite clear that the removal of housing subsidies would restore some balance in the allocation of resources, increase the mobility of labour and thus reduce unemployment and allow for a substantial bonus in reduced income-tax.

As for "politically impossible," I thought that the Government was all about weaning us away from the cosy assumptions of the last two decades.

Wilfrid Legg,
(Research Fellow),
*University of Sussex,*
*Sussex European Research Centre, Brighton, Sussex.*

### Sports

*From the PR Officer, British Field Sports Society*

Sir,—I was shocked, to say the least, to read John Cherrington's article on the Game Fair and field sports (July 21). Hare coursing has not been made illegal. The League Against Cruel Sports has blown off a lot of hot air, but has definitely not succeeded in having any field sport banned in this country.

Field sports across the board are at present enjoying a considerable upsurge in popularity and participation, and they will only be weakened by ill-informed comments by journalists, or by complacency among participants, old or new.

Richard Tracey.
*26, Caxton Street, SW1.*

### Exporting

*From Mr. W. Kleinlooh*

Sir,—In your article "Rising pound worries exporters," (July 19) several chairmen of large British companies warn that the increasing value of sterling will harm our experts.

If it is true that an increase in the value of the pound does reduce export chances, then British industry must have had innumerable opportunities to increase export levels during the period 1967-79, when the pound lost more than half its value against the major European currencies. During the same period we should have seen a steady decline in imports, since, of course, competitors abroad had to work against an increasing value of their own currencies when exporting to Britain.

It is, of course, needless to point out that exactly the reverse is true. During this period imports boomed in the UK, whereas exports steadily declined. It would therefore seem to me that the relative value of a country's currency has very little to do with that country's capability to sell its goods abroad.

Rather than trying to find new excuses for our inability to get to grips with export markets, would it not be better if exporting companies looked at factors which do always affect sales whether on the domestic or export markets, such as quality of product, after-sales service, prompt delivery of goods and above all marketing skills adapted to the country in which the products are to be sold.

W. K. Kleinlooh.
*Ansteys,*
*Camp Road,*
*Gerrards Cross, Bucks.*

### Processing

*From Mr. P. Hudson.*

Sir—You don't wear spurs to drive a car. An obvious point? Maybe it is but it illustrates the principle that the worst mistake in using new technology is to copy the methods of the old.

In his article "Paper may go out of date" (July 10) Ted Schoeters referred to a report on word processing by the Central Computer Agency as a dash of cold water. After a series of tests in a shared logic installation at the Department of Education and Science in Darlington, the CCA concluded that the productivity gains of 10 per cent-70 per cent did not justify the cost of the equipment.

The tests were deliberately devised to alter the methods of working as little as possible. It's no wonder the productivity gains weren't impressive. The only way to implement word processing successfully is after thorough systems analysis and design Mr. Schoeters rightly points out in another article that it's necessary to adjust office procedure as a word processor is a logical unit and any operation to be carried out on it must be planned through logically in advance.

I manage an installation similar to that in the DES. The average productivity increase in the first year was 100 per cent. To achieve this we've had to compose standard text carefully and agree on uniform standards for paper sizes and layout of text on paper. Every job that's typed is controlled and documented. This requires a little extra clerical work from authors and typists, but this discipline is essential to achieve the benefits of word processing. We're dealing with a computerised typewriter. If we emphasise "typewriter" at the expense of "computerised" we may achieve superficial benefits—any intelligent typist can show a productivity increase—but in the long run we'll simply be driving with spurs.

Paul Hudson,
Provincial Building Society,
*Provincial House,*
*Bradford,*
*W. Yorks.*

### Mortgages

*From Mrs. L. Gillian Smith*

Sir,—Mrs. Thatcher's Government can't have it both ways. Just a couple of weeks ago she was warning the building societies to "think long and hard" before increasing the rates to borrowers.

Now (July 24) Professor Douglas Hague, one of her economic advisers, tells us that mortgage money is very cheap —its value is depreciating while the borrower is acquiring the biggest capital asset he is ever likely to obtain. True indeed—why, therefore, does Mrs. Thatcher exhort the societies not to make this so very cheap money more expensive?

(Mrs.) L. Gillian Smith.
*5, South Cottage Gardens,*
*Chorleywood, Herts.*

### Airport

*From Mr. J. Daniels*

Sir,—Michael Donne's reflections on the reasoning behind a third London airport (July 23) fall into the usual trap of failing to take one factor into account.

How is traffic to be divided between the three airports? We have already seen a threatened international incident when the British Airports Authority asked Iberia and TAP to move their operations from Heathrow to Gatwick. The request was hastily withdrawn and the next moves are still "under consideration." Yet this argument is but a pale shadow of the disputes which will arise when (for the sake of argument) Lufthansa, KLM, Sabena and SAS are asked to transfer to the third airport.

It seems to me that one possible answer is to develop three airports to serve different needs: one for scheduled passenger traffic, one for charters and one for the growing volume of freight.

If the present freight handling areas at Heathrow were devoted to extra passenger terminals, capacity could be greatly increased. No major logistic problem is involved. There already exists a tunnel from the central area to the south side of the airport. One might hope, though, that instead of a single gargantuan Terminal Four, thought might be given to allowing the major airlines to develop their own terminals, as at New York/Kennedy. This would spread the load and also hopefully, improve the standard of passenger handling on the ground.

The third airport could then be developed principally as a cargo handling base, and possibly also an engineering base, with the advantage that far fewer people would be involved and the drama of a new "airport city" could be greatly reduced. Gatwick would remain much as it is now, operating mainly charter and Skytrain-type services where the ability to interlink is less important.

J. R. Daniels,
*26, Withdean Avenue,*
*Goring by Sea, W. Sussex.*

### Traffic

*From Mr. R. Bonwit*

Sir,—Is a third London airport really needed? The case for it is based on projections of air traffic growth made in ignorance of the possible impact of the oil crisis on the availability of aircraft fuel.

It takes about four times as much as fuel or energy equivalent to move a passenger by air than it does by train. No serious attempt appears to have been made to divide existing and projected air passenger ratios according to traffic streams and according to the relative flight density on various routes. On average, long-distance routes can move a greater number of passengers on fewer flights, because they move them in giant aircraft. This problem can be dealt with by adding new terminal facilities to existing runways. On short and medium distance routes, an increase in the number of passengers invariably also means an increase in the number of flights, so that additional runway—and air lane —space will be required.

If much of the projected increase in air passenger demand concerns traffic to and from nearby Continental destinations, the preferable solution—on energy savings and environmental grounds—would be the building of a rail tunnel to link our network with the Continental rail system. This could be completed well before a new airport could be in operation. The tunnel would also qualify for EEC assistance as part of the EEC transport infrastructure plan.

Ralf Bonwit.
*Sorby, Kiln Lane,*
*Binfield Heath,*
*Henley-on-Thames.*

# Blood under the greasepaint

BY JOHN LLOYD

MR. DAVID LAND, co-producer of "Evita," flew a sound engineer in from New York yesterday. Complaints had been received that the band was too loud.

"Attention to detail. That's what makes success." And Luck? "Luck, yes. See, we want people to go in to the show whistling their favourite number, rather than come out doing it. So we got the record out first, and promoted it. About that time, England were thrown out of the qualifying rounds for the World Cup, and every national paper, except yours, ran on its back page something like—Don't cry for us Argentina, we won't be there! Lucky for us, not so lucky for England."

Not so lucky, either, for Mr. Land's fellow producers in the West End, and even less lucky for those in the State-supported sector. Mr. Land's cheerful ebullience—"I told one of your colleagues once, if you were as rich as me you wouldn't be talking to you"—is rare in the theatre these days. It is going through one of its periodic crises: the *vox humana* stop is full out, the curtain has risen to reveal a mournful scene, the soprano is limbering up for a moist-eyed Mimi. Meanwhile, at the back, the management is passing the hat.

The scene is, indeed, somewhat familiar, and familiarity in this context breeds, if not contempt, at least a credibility gap. As index of this, my colleague, Michael Thompson-Noel, began a feature on this page some five years ago with the words "the Budget Speech . . . offered not *a scrap of comfort to the performing arts*" So what's new? Certainly, those of us outside the business who constitute its audience have difficulty in separating the *real* from the dramatic cry of pain, a difficulty no doubt shared by Mr. Norman St. John Stevas, the Arts Minister, and the Treasury officials who address themselves to the arts.

However, beneath the greasepaint (to torture the metaphor once more) there is flesh, it does bleed, and it probably is dripping a bit right now, both in the commercial sector and in the wholly or largely State-supported arts.

The commercial theatre, by which most people mean the West End (because most provincial theatres are perilously balanced) was hit hard by the VAT increases announced in the Budget earlier this month. Its VAT rating went up from 8 to 15 per cent, and this at a time when theatres had been campaigning, albeit in a rather desultory way, to secure total exemption from the tax. "We passed its straight on to the customer," says Mr. Christopher Bullock, administrator of Liverpool's Playhouse. "It meant we had two price increases within days."

## Price limits

Government - imposed increases naturally limit the ability of managements to put up the *prices for* themselves. This is the more the case since London theatre prices are now, by common consent, "at realistic levels" after years of being too low. Mr. Roger Clifford, executive producer with the John Gale organisation ("No Sex Please, We're British," "Can you hear me at the back?") says that prices rose sharply in 1976. "They now range from between £2, £2.50 up to £7 or even, for one or two shows, £8, £8.50. I think it's true to say, though, that we can probably raise a bit at the top end."

The tourist trade, which makes the summer season a lush one for the West End, also shows signs of faltering here and there. American visitors have traditionally patronised heavily both high-brow and middle-brow productions: now, a combination of dearer seats and expensive sterling means that they are trimming back on theatre visits and taking in more (free) interesting churches.

At the same time, the risks are becoming ever keener. A big show is now a major investment — "Evita" cost £400,000 to stage—and producers must often wait nine months, or even a year, to cover their costs. Mr. Martin Gates, who recently founded the Musical Theatre Company, now playing the Mikado at the Westminster Theatre, reckons a rough rule of thumb might be that two out of every five productions cover their costs, while one of these two makes a profit. (Some of these will be, of course, "smashes." Mr. Land is netting £14,000 a week from "Evita," has made $2.25m in Los Angeles with the same show in nine weeks, is going to do the same in San Francisco and will quite possible cease to talk to journalists entirely after the show hits Broadway. But Mr. Land is not in the *mainstream of producers*).

Broadway is, according to Mr. Clifford, the direction in which the West End as a whole is heading. "Like theatre there, we're moving towards having a few smashes which run and a lot of flops which are pulled off quick."

Mr. Peter Plouviez, the general secretary of Equity, is less gloomy about the West End than he is about the State-sponsored houses, but he is by no means sanguine. He has noted a decline in American customers, noting that the large numbers of academics who thronged Shakespearean and experimental productions are thinning. He believes, too, that his members are in no way part of the problem: "I have to say that our minimum salaries have very barely kept pace with inflation. And we still have 60 to 70 per cent of our people unemployed on any given day." Equity minima are now £70 a week in the West End, £55 in the provinces: the maxima tend to be paid in tax havens.

The *state supported sector's* screams are probably not, for the most part, histrionic. The Arts Council's budget has actually been *cut*—by £1.114m or 2 per cent—in the current year, and that is certainly not what the Council is accustomed to. Further, it does not indicate that there are better times ahead.

## Deferment

The 2 per cent cuts, however, will not be felt immediately. In co-operation with its clients, the Council is attempting to load the cuts on to forward expenditure, by persuading *them to defer projects and payments*, while maintaining its commitment to them at the previous levels. That will postpone the problem, but not solve it.

There is another public sector twist to the screw: the local authorities—facing difficult economies of their own—will tend to take it out of arts budgets before they tackle housing or social services. Though local council support for theatres and concerts is usually lower than the Arts Council's, it sometimes matches it pound for pound and here and there—as at the Watford Theatre—bears the bulk of the cost.

Mr. Plouviez of Equity is worried about the State-sponsored theatres. "If the Council spreads cuts among a variety of its clients, it may have the effect for some of them of so lowering their standards that they are no longer worth supporting anyway: *so that they would, in* effect, be closed down. Indeed, that is what the Council might be tempted to do, in order to make a point to the Government. It may say: we are fed up keeping internationally famous opera houses going on a shoestring; we can do it no longer."

The Council admits to no such strategy: but earlier this week, it voiced its fears that any further reduction in State funds would cause "grave damage to the fabric of the arts." In contrast to Mr. Plouviez's reckless gloom, Mr. Anthony Field, finance director of the Council, is cautiously depressed: "The cuts may mean that our clients will have to cut back on creative work which they want to do. They will be more chary of risks —they can't risk because they won't have the cash."

Mr. Field hopes that "we will be able to convince the Government that the arts is an earning medium, not a spending one." This point was echoed in a different sense by Mr. Archie Newman, an administrator at the Royal Philharmonic Orchestra (which receives £250,000 a year from government). He pointed out that VAT increases meant that the RPO will pay more to the State than the State did to it for its forthcoming season at the Fairfield Hall in Croydon.

The great white hope is, *of* course, business sponsorship, which by all accounts (*there appear to be no reliable figures*) has been growing in recent years. Yet here, as Mr. Field and others point out, there is *a central problem*, and that is tax relief. Companies *can* get tax relief for their largesse, but only if they sign a seven-year covenant with the object of their charity, or can prove that their donations are for a promotional, marketing or advertising purpose.

That second proviso is hardly off-putting to sponsors who presumably want their good works recognised: but it does, many *believe, mean that spontaneous gifts from* corporations with a real interest in culture are discriminated against. More weightily, it means that the money is naturally channelled to those prestigious and popular events—the better-known operas, orchestral works and plays—whose need for cash is often comparatively low, while the experimental, the unknown and the radical works suffer. The argument is well rehearsed, but it has not convinced successive Chancellors, whose officials have stressed the difficulty of separating the arts from other charities.


Hugh Routledge

**Demonstration and march by equity members to protest against Government arts cuts and increases in VAT on theatre tickets**

At the same time, the money raisers believe that business can be persuaded to give more. Mr. Bullock of the Liverpool Playhouse wheedled £10,000 from a local firm to take a production to London's Round House, and got another to do his mailing list on its computer: he has other ideas up his sleeve.

## Sponsorship

Mr. Newman of the RPO says that the orchestra will be trying to attract more private sponsors, but fears the quid pro quo. "We don't want to go the way of the football team which put its sponsors on its strip: painting Hitachi on the conductor's tails wouldn't be an option."

It is worth recording, too, that for most of our cultural institutions, commercial sponsorship represents a tiny part of the whole. The Royal Opera House received 5 per cent of its income from business sources in 1975-76, a proportion which has dropped to 3 per cent for the past three years. Mr. Adrian Doran, the ROH's assistant general administrator, believes there are well defined limits to such sponsorship and that "you cannot get a lot more overnight." The Royal Opera, which believes that 1980-81 will be its most difficult year, is to put its top seat prices up to £21, and will cut the number of performances if it must cut at all. "We will not cut quality. That is our reason for existence," says Mr. Doran, who is determined that the ROH will not fall from the top world rank it shares with houses like New York's Metropolitan, the Paris Opera and La Scala, Milan.

Lord Goodman, who is chairman of the Association for Business Sponsorship of the Arts, says that he is "midway between being sanguine and *realistic*" about commercial funds. "I think to some extent, the Arts Council and places like the Royal Opera are doubtful about business sponsorship because they don't want to see daddy replaced by an elderly, frail relative. Daddy has after all paid the bills." He says that private donations are "beginning to show signs of coming to life," but stresses that they will always be to some extent marginal to State funds.

One of the very few prestigious houses which does survive without State funds is Glyndebourne Opera, which puts on a summer season each year. Its administrator, Mr. Moran Caplat, says that 65 per cent of the income comes from tickets —which start from a very high base of £8 and rise to £17.50— with the rest provided by donations of various kinds.

Glyndebourne, however, is for the well-heeled: the ticket price is often the least of the costs of attendance. The Royal Opera, which will have a higher top price, is also maintaining its lowest price of £1.50, and Mr. Doran stresses its policy not to price anyone out of opera-going. In the high arts, as elsewhere, State funds are seen as playing a redistributive role.

# Weekend Brief

### Why everyone is so upset about the plans to curb the Voice of Britain . . . . Managua begins to sort itself out . . . . and beware the travelling backgammon king.

## BBC airs on a shoe string

IT WOULD not be remarkable if the most popular term of abuse around the polished linoleum corridors of the BBC's Bush House outpost these days was the word Carrington. External services has suffered the Governmental scythe in the past but Foreign Secretary Lord Carrington's suggested £4m cut from the budget would not only set a few feathers flying, it would kill a fair number of chickens. That Carrington should be the axeman is regarded as something of an absurdity anyway. External services funding from Foreign Office grants is a hangover from war-time days. The FO does not want the operation in its fold, and the Bush House folk certainly do not want to have anything to do with the FO. At the moment there is even sympathetic reception to bar talk of moving to the (uncut) Ministry of Defence and even to taking advertisements.

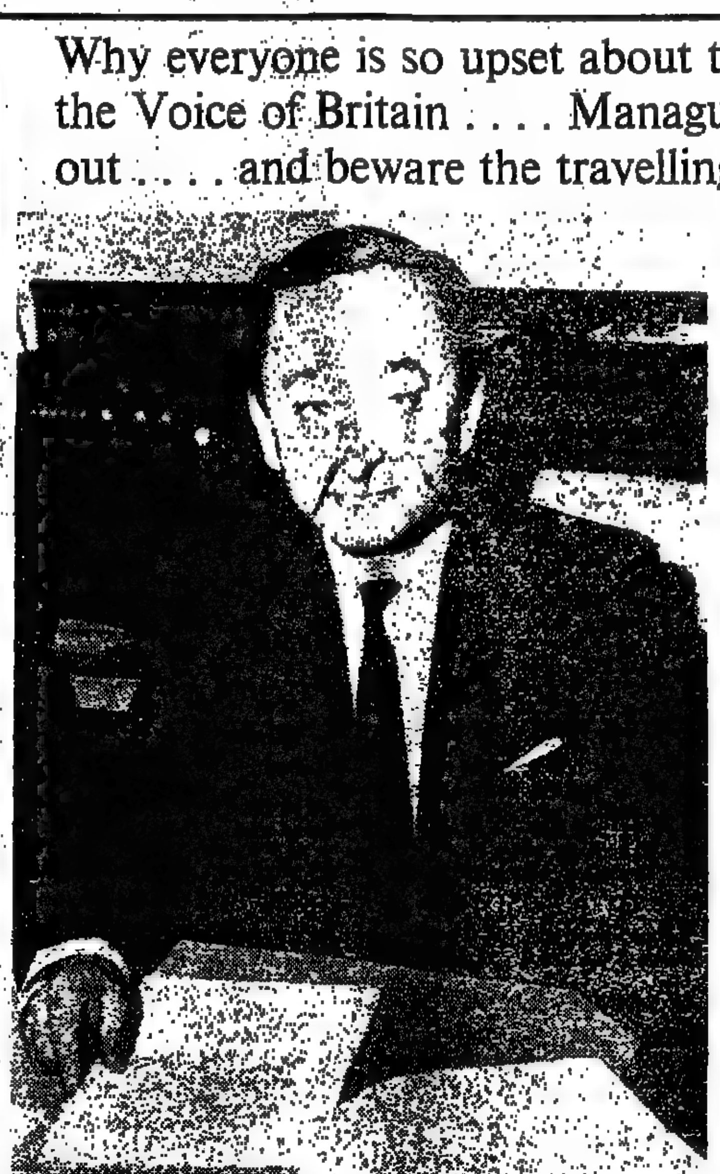
Carrington seems personally sympathetic but trapped in the general march of spending restraints. The BBC has made things worse for him by saying that he personally must now decide where the cuts are to fall, with South American services, the Middle East or the Far East being the front runners. Gerard Mansell, head of external services, is also deputy director general of the BBC and no mean contestant when it comes to making blame stick.

The basic problem is that any cuts of this scale are bound to hit the vernacular services rather than the basic World Service in English. Already the Russians are vastly ahead in foreign language programmes compared with us. While Moscow talks to Zimbabwe-Rhodesia in a variety of esoteric local dialects, the BBC has only three languages for the whole of Africa.

The BBC gets quite excited about its foreign audience. When the Labour think-tank threatened an end to the American service the Corporation received protest letters from residents of 46 states. In the Indian sub-continent there are 10m regular listeners to Hindi programmes, and 8m to the Urdu services.

The Beeb clippings book contains a fine selection of cartoons from foreign parts demonstrating how London is part of local life. One of its proudest moments was when an Iranian newscaster at the height of the revolution solemnly declared: "And that ends the international news. For local news please tune to the BBC."

This sort of stuff adds to the main obstacle in Carrington's path when he comes to his pruning session. That obstacle is the emotional objections which spring to the British heart the moment the idea of tampering with External Services is mentioned. It is all rather reminiscent of our former days of greatness. Even some of the equipment used is straight from nostalgia corner. Microphones have that Stuart



Gerard Mansell: tough adversary.

Hibbard look about them, and the Eastern European service transmitters in Cumbria are still the same ones used in World War II—and only kept going by engineers who make spare parts themselves and keep the whole operation lovingly polished like a working museum of yesteryear.

Carrington is therefore clearly on a hiding to nothing when it comes to overall public opinion. But all may not be lost. On the BBC's own General Advisory Council even one member said, in effect: "If I am going to have to choose whether to fight against cuts in external services, or cuts in the British hospital service, the BBC can reckon without me."

## Managua struggles to life

Managua, the capital of war-torn Nicaragua, is slowly returning to life under the guidance of the country's new rulers, the five-man junta and the Sandinista Army, which last week ousted the 46-year Somoza dynasty and the National Guard. The first week in "free" Nicaragua has seen the usual chaos which follows the overthrow of any dictatorship, laced with amusing incidents as the new powers try to get to grips with the pressing problems.

The overwhelming sense of freedom which has swept through the country has left the great mass of people disorientated after so many years of repressive, patromonial rule. The guerrillas are equally giddy after living for so long in clandestine conditions before their uprising, and are now having to adapt to a different role as the country's new *custodians of* law and order.

As a result there is an understandable lack of co-ordination. The head of the Central Bank was unable to get into his office on at least two occasions because the guerrilla high command decided to close it for security reasons.

"Can you imagine my distress at not being able to go to work. Every minute is worth a million dollars," says Arturo Cruz, the Central Bank head who quit his job with the InterAmerican Development Bank in Washington to help sort out Nicaragua's terrible economic mess.

We watched a guerrilla youth trying to open the bank door with a bunch of car keys after the order to open was finally given. A bank official had to go around the back of the building to find the right keys.

Those many elements of the private sector which supported the revolution and did not flee the country with Gen. Somoza have been trying to plan a meeting with the Junta but without success as they cannot get in touch with them for any length of time. The Junta and the Sandinista high command first established itself in the Camino Real hotel when it arrived triumphantly in Managua, only to find that none of the telephones worked. By the time they were working, the Junta had transferred to the Intercontinental Hotel next to Somoza's bunker compound, where it is esconced on the top two floors.

Guerrillas troop in and out of the hotel in battlegear, hauling up arms in the lift to the rooftop. The setting of the hotel and the guerrillas is incongruous. At dinner this week one of them, wearing full battledress including grenades strapped to his uniform, asked a waiter: "Can't you bring me a few flies with my food to make me feel more at home."

Members of the junta are seated in the daytime in one of the Central Bank's buildings in the centre of the city. It is a convenient building, for on the fourth floor it has five rooms of *exactly the same size which has* helped to emphasise their equal status. The rooms were intended for use by five secretaries of the head of the bank under Somoza but were never used.

The junta's new staff has had to type some of its emergency laws on the back of notepaper ironically bearing the stamp of Somoza's old rubber stamp Congress as they could find no other stationery. Its members are travelling around in Mercedes which were used by Somoza officials. The guerrillas are searching the country for 600 Mercedes which have disappeared. Somoza had a fleet of 700 but only 100 have so far been found.

Somoza's newspaper *Novedades*, which has been confiscated along with everything else the family owned, is being used to produce the Sandinistas newspaper *Barricada* after the thousands of barricades which were thrown up—with paving stones made from Somoza's cement factory.

## Games in the air

Eager shoppers perusing the windows of Asprey's this week might note among the baubles a trim sage green corded velvet backgammon set. Not quite pocket size, but certainly small enough to fit in any travellers hand luggage. Could this token display be a sign of deference to Asprey's new major shareholder, Alfred Dunhill, purveyors of pipes, tobacco, gentlemen's accessories and backgammon sets, who this month upped their shareholding in the Bond Street emporium to 29.9 per cent? No, it is merely a coincidence. Asprey's *has been selling back*gammon sets to the well-heeled and the gentle for years. The travellers companion in the window has nothing to do with the increased shareholding of that great travelling backgammon player, Richard Dunhill, chairman of Alfred Dunhill.

Dunhill won't fly anywhere without his backgammon board. Not only does it relieve the boredom of the long-distance traveller, but he claims the game is one of the world's great levellers.

"I'll play with anyone who is prepared to challenge me. As soon as I get on board a plane I set up my board and wait for anyone who comes by and wants to play. I've played with all kinds of people in airplanes — chicken farmers, film producers, salesmen of every nationality you could imagine. On my last flight to Japan I played against a *British Airways* hostess—won a bottle of champagne off her.

That's why I will always fly on jumbos rather than on Concorde. On Concorde there's no room to set up a board, but on a Jumbo you can go upstairs to the lounge and really spread yourself out."

Dunhill is no mean player of the ancient game, and regularly competes against the world's finest. Recently he won a prize in a major tournament sponsored by a rival cigarette company.

"It was rather embarassing. Obviously I couldn't accept the prize." He wishes he had more time to devote to what is now simply a hobby, then reveals that his day will come. "When I retire in about seven years I am going to become a professional backgammon player and spend all my time travelling round the world playing in backgammon tournaments."

But for the moment he has to make do with the long distant hops on 747s. "At least I get plenty of opportunity to play while I'm travelling. In this job I spend about two months a year visiting our outlets all over the world. I'm a sort of travelling PR: the fact that I am a Dunhill —his grandfather founded the company in 1907—is a tremendous asset in publicity terms, especially in countries like Japan where we have now more than 30 outlets."

Dunhill has been with the family company for 31 years, starting fresh from school in the pipe cleaning and repair department, then graduating to the factory where he graded the wood to be used in the manufacture of the firm's prize pipes. "It was the most tedious job in the company, grading wood. I was delighted when they moved me into the shop. I loved serving the customers. Mind you in those days we used to have a lot of British customers. Now they are mostly Japanese."

In those days the young Dunhill was cleanshaven. His trim grey beard came with his elevated status, in the interests of the Dunhill image. "The beard is very much a family tradition. My grandfather had one. Fourteen years ago the board asked me if I would grow one. I suggested that I might take a month off work to grow it, but that didn't wash. So every morning during the early stages I would have to hide behind my newspaper all the way into the shop."

Richard Dunhill

Contributors:
Arthur Sandles
William Chislett
Robyn Wilson

## Economic Diary

**TODAY**—Mr. Anthony Wedgwood Benn, Labour MP for Bristol S.E., addresses Labour Party Young Socialists' conference, Bracelands Camp Site, Christchurch, Gloucestershire.

**MONDAY**—Nationwide overtime ban by engineering unions.

**TUESDAY**—Publication of Civil Aviation Authority annual report. Confederation of British Industry Industrial Trends Survey (July).

**WEDNESDAY**—Monthly meeting of National Economic Development Council under the chairmanship of Sir Geoffrey Howe, Chancellor of the Exchequer—main item on the agenda is profitability and investment. Meeting of Chemicals Economic Development Committee, which involves the unions, companies and the Government. Magistrates' Court Clerks begin series of one-day strikes. General Council of British Shipping issuing British Shipping Review. Ordinary and rapid hardening Portland cement price increases.

**THURSDAY**—Treasury figures of UK official reserves for July. Bank of England statistics for capital issues and redemptions during July. Meeting of Confederation of Shipbuilding and Engineering Unions, Imperial Hotel, Russell Square, London. Annual report of the National Coal Board.

**FRIDAY**—Final June figures for car and commercial vehicle production included in Department of Industry pubication Trade and Industry.

# Midland shows 56% first half rise to £138m

BY CHRISTINE MOIR

A STATED increase of only 56 per cent in **Midland Bank's** interim profits yesterday (compared with 60 per cent from Barclays and Lloyds and 102 per cent from National Westminster) left the shares unchanged at 345p.

Pre-tax profits for the six months of £138.5m were £4m lower than in the previous six months and ostensibly compare with £88.9m in the first half of 1978.

Since the year end, however, Midland has sold its 80 per cent stake in Bland Payne, the insurance broking group, so there is *no contribution from that source*. Nor has the group received any dividend in this period from the 10 per cent stake it still holds in Sedgwick Forbes Bland Payne. Furthermore, the proceeds of the sale have only been available to the bank for four months of the period under review.

A second factor which distorts the equation is that Standard Chartered Bank, in which Midland owns 16 per cent, has changed its year end and Midland was able to consolidate only three months of its share of Standard's profits.

Adjusting for these factors, Mr. D. A. Gladwell, Midland's general manager, said yesterday, would reduce the comparative figure last year to £74m. "In fact, the business as it now exists has improved by more than 80 per cent from this time last year," he said.

As all the banks have found, domestic banking provided the bulk of the improvement. Profits there doubled on an increase in the volume of sterling advances of around 10 per cent, despite a reduction in margins between average base rate and deposit rates. Average base rate was 12.64 compared with 10.71 and 7.45 in the two preceding periods. Seven-day deposit rates rose from 4.13 to 7.86 to 10.14 per cent.

The international banking side "has done well," Mr. Gladwell says, reflecting a 25 per cent increase in profits since June last year and foreign currency lending has increased by 15 per cent.

Provisions against doubtful debts dropped sharply from £12.8m a year ago to £4.6m this time. Mr. Gladwell suggested that the accounts for the year would not show a breakdown between specific and general provisions. Such a breakdown would be "unhelpful," he said.

Meanwhile, although the bank is cautious about predicting the outcome for the year Mr. Gladwell thinks that "if interest rates remain strong—and we do not think they will drop much—the second half should be similar to the first."

The interim dividend is 6.5p—only a 15.4 per cent increase since last time—and the company will not commit itself over the level of the final although Mr. Gladwell says "a reasonable assumption would be a similar level."

Since last Friday share prices of all four banks have slipped backwards. Lloyds has performed worst with a 10.6 per cent decline to 295p. Barclays follows with a 9.6 per cent fall to 425p. National Westminster has slipped by 6.25 per cent to 330p and Midland's fall is 5.5 per cent.

| | | First half (restated) |
|---|---|---|
| | £m | £m |
| Trading profit | 139.3 | 84.0 |
| Share of assoc. | 14.8 | 17.0 |
| Making | 154.1 | 101.0 |
| Loan interest | 15.6 | 12.1 |
| Profit before tax | 138.5 | 88.9 |
| Taxation | 58.2 | 34.6 |
| Minorities | 0.3 | 1.0 |
| Extraord. items | 0.3 | 0.6 |
| Attributable | 79.7 | 52.7 |
| Dividend | 12.2 | 10.6 |
| Retained | 67.5 | 42.1 |
| Earnings per share | 49.2p | 34.5p |

See Lex

# BTR leaps to over £27m

A 50 PER CENT jump in taxable profit is reported by **BTR**, general rubber manufacturer, for the first half of 1979. This is substantially in excess of the estimated 35 per cent increase for the first four months, given by the company when confirming its intention to proceed with a £26m bid for Bestobell.

The full year is expected to show continued satisfactory growth over last year's record £40.1m.

For the six months to July 1, profit was up from £18.3m to £27.4m on sales 33 per cent higher at close on £220m. The bulk of the surplus was earned in Europe, ahead from £14.6m to £20.5m while activities elsewhere in the western hemisphere were £1.5m better at £4m and the eastern hemisphere produced a more than doubled £2.9m (£1.2m).

The net interim dividend is effectively stepped up from 3.2p to 5.5p on capital enlarged by both scrip and rights issues. A 10p total has been forecast. Last time an adjusted 6.4p was paid.

Half-time tax takes £11.8m (£7.1m) for a net balance of £15.6m (£11.2m) and the attributable surplus is £14.6m (£10.7m).

A regional breakdown of sales shows Europe £148.3m (£121.2m); western hemisphere £32.2m (£16.4m) and eastern hemisphere £39.1m (£27.2m).

Comparatives have been restated according to Accounting Standard No. 14 on acquisitions.

See Lex

# Tesco turnover and profit well ahead in first half

BOTH turnover and profit of Tesco in the first half of the current year had been running satisfactorily ahead of the same period last year, Mr. Leslie Porter, the chairman, told the annual meeting.

"We know that our own performance in 1979 has consistently outstripped the general increase in the retail trade," the chairman said.

However, the outlook in August and September was less certain and there could be a slackening of business generally although the chairman expected group activities to be very buoyant again between October and Christmas.

Immediate economic uncertainties stopped Mr. Porter from making a forecast for the second six months but he did expect food inflation to be in the region of 12½ per cent to 15 per cent in the next 12 months, below the predicted 17 per cent level for general inflation.

Referring to the Tesco offer to buy Cartiers Superfoods, the chairman said the 17 Cartiers outlets had a high reputation for their meat, frozen foods and ice cream, with a higher proportion of their sales in those departments than elsewhere in the supermarket business.

The Cartiers link would also strengthen Tesco's position in the fresh bread field. In-store bakeries would grow to 66 and that would give the group "by an enormous margin," Britain's largest chain of in-store bakeries. Tesco also had five additional in-store bakeries in Ireland.

Apart from making good business sense, the Cartiers acquisition was a sound commercial decision, said Mr. Porter. A close study by the group's estates department had shown that Tesco would have had to pay far more than it paid for the company had it started from scratch to build a comparable supermarket group.

Turning to the Irish subsidiary, 3 Guys, acquired last December, Mr. Porter said directors were expanding this business as an important long-term project. The tenth store had just been launched and three more would be opening in the next three months. Many further openings were planned for 1980.

The chairman said he would give shareholders a full report on energy savings at the interim stage when current investigations would show how costs could be reduced and thereby make a contribution to future profits while at the same time conserving oil supplies.

## DIVIDENDS ANNOUNCED

| | | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|---|
| AC Cars | int. | 0.14 | Sept. 7 | 0.18 | — | 0.6 |
| BTR | int. | 5.5 | Nov. 26 | 3.2*† | — | 6.4*† |
| Cardinal Inv. | int. | 1.5 | Sept. 31 | 1.24* | — | 3.36* |
| Wm. Cook | | 1.05 | Oct. 8 | 0.73* | 1.75 | 1.4* |
| Derby Trust | int. | 7.19 | Aug. 31 | 7.09‡ | — | 14.79 |
| J. and J. Dyson | | 2.22 | Oct. 1 | 1.68 | 4.5 | 3.6 |
| Jacksons Bourne End | | 3 | — | 2 | 3 | 2 |
| Midland Bank | int. | 7.5 | Oct. 3 | 6.5 | — | 16.44 |
| Mining Supplies | | 1 | Sept. 12 | 0.62* | 1 | 0.62* |
| Plastic Construct. | int. | 0.84 | Sept. 17 | 0.76 | — | 2.32 |
| RFD | | 2 | Sept. 17 | 0.99 | 2.7 | 1.59 |
| Walsham's | | 4.8 | Oct. 13 | 2.38 | 8.1 | 4.03 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Corrected.

# Mining Supplies finishes on £2.2m

A TEMPORARY fall in NCB business, more pressure on margins and disruption by the national unrest and severe winter, hit second half performance at **Mining Supplies**. Taxable profit for the second six months dropped £0.41m leaving full-time pre-tax profit for the year to April 28, 1979, at £2.27m, against £1.84m.

In February the company was anticipating an improvement in the second half following the leap from £373,000 to £1.22m at midway.

*Sales for the year reached* £20.43m (£16.98m) and earnings per share are stated at 6.9p (5.4p). The net dividend is effectively raised to 1p (0.62362p) and costs £225,000 (£140,314).

Tax, with the deferred element adjusted to comply with SSAP 15, amounted to £714,603 (£618,261) and the net balance came out at £1.56m (£1.22m).

Mining Supplies Ltd. made a good contribution to overall turnover and profit during the year, due partly to direct and indirect exports to Canada, South Africa, Australia and the U.S. Also its current export orders are showing encouraging expansion, especially in the U.S., the directors say.

The group's first TP 2000 coal producing system, capable of producing at least 1m tons output a year, is now under acceptance trials with the NCB and the company looks forward to a number of overseas enquiries for the system.

There was a satisfactory contribution from Mechforge but here second *half demand* was flat because its customers in the mechanical handling industry have been facing difficult markets. However the company looks, tors state. There was no improve- conditions.

Mech Construction continued to expand but its profit contribution was down. Even so the prospects for future growth and profits are excellent the director state. There was no improvement at Mech Electric 24.

### ● comment

At 88p, ahead of the results yesterday, shares in **Mining Supplies** were 3p higher than the price prevailing before Dobson Park first expressed its bid interest. In the absence of that prop over the last few weeks the price looks to have been quite unsupported by the trading performance. The subsequent 10p fall looks entirely justified in that context but the yield, after a 53 per cent dividend increase, is still only 1.9 per cent while the p/e on stated earnings is 11.1 and the multiple after a full tax charge is no less than 15.9. On that basis, there may be further vulnerability and much depends on the credence attached to the bid rumours which have surrounded the company. Dobson's approach foundered on the proposed structure of the merged company and the two sides never got around to discussing a price. Other likely bidders, not least Dowty, adhered to the role of detached observers and it may be some time before MS shareholders receive the chance of considering a firm offer. In the meantime, the second half was severely down on many outside estimates to leave annual profits *ahead by 23 per cent*. In the absence of national strikes and appalling weather, growth should start accelerating once more if the NCB orders come through as anticipated, while the case for an export drive is as cogent as ever.

# RFD down but payout up 69%

AS expected, profits before tax of the **R. F. D. Group**, at £2.32m *for the year ended March 31, 1979*, are lower than the previous year's £3.49m. Turnover *amounted to £21.4m compared* with £18.75m.

The directors had made their forecast at midway when pre-tax profits were down from £1.46m to £1.05m but they expected better results in the second half. In the event, profits in the last six months were £1.27m.

Earnings per share for the year are stated as 13.74p compared with 17.61p.

However the final dividend is 2p per share against 0.9959p lifting the total from 1.595p to 2.7p. The directors say the proposed doubling of the final gives an increase of 69 per cent for the year covered five times.

The sharp reduction in profits compared with last year was the result of difficult trading conditions with reduced margins aggravated by the effects of outside industrial action in disrupting supplies and despatches, and delays in the receipt of firm contracts from the lesser developed countries.

Interest charges were higher due to increases in working capital and in capital expenditure. Start-up costs in new acquisitions have been written off.

Following the recent acquisition of Lindsay and Willams and the appointment of a new group managing director, a thorough review of the group's operations is already in progress the Board states. Though current trading remains difficult, it is anticipated that the steps taken as a result of this review will begin to show during the second half of the present year.

Properties have been revalued producing a surplus over book value of £954,000 (7p per share) which has been taken to reserves. Net assets per share have increased from 71p to 89p.

### ● comment

RFD cushioned the impact of a 34 per cent profits drop yesterday by pushing up the dividend 70 per cent, and the shares reacted with a 3p rise to 59p. The major blow came on the military-industrial side, where sales rose 26 per cent but profits collapsed by two-fifths. In fact the picture is distorted by the first full year contribution *from its U.S. parachute company*, which chipped in £¾m of sales but made a £100,000 loss—basically reflecting development expenditure. That aside RFD says that it is reluctant to go ahead with some overseas orders until financing has been tied-up, and that causes a lumpy pattern. Nevertheless it is easy to imagine that some Middle East markets for defence equipment are not what they were. Elsewhere inflatables have held up despite the flatness of the marine sector generally and increased competition. But specialist textiles have come under attack from overseas competition, and margins have been squeezed. Overall trading is not going to recover overnight though the company is hopeful of completing more Middle East military contracts. Profits this year could be close to £2.6m and with a historic p/e of 4.1 and yield of 6.8 per cent covered five times the price is sound enough.

# Airship finance scheme fails

A scheme to finance the renaissance of the airship as a means of transport collapsed yesterday when stockbrokers Laing and Cruickshank announced that the required level of subscriptions to a public issue had not been reached.

The number of applications received fell far short of the target and, as the issue was not underwritten, it has been abandoned. Mr. Julian Benson fo Laing and Cruickshank, who were managing the issue for the Isle of Man company Thermo-skyships, said the project failed because no institutions were prepared to subscribe.

Investors were asked to raise an eventual total of £6.4m in £1,000 units comprising a mix of ordinary shares, preference shares and unsecured loan stock. The package was to be partly paid, with 30 per cent due immediately and the rest about a year later.

Applications were received for 66 per cent of the total but, as European Ferries had earlier agreed to provide up to 60 per cent of the capital, the contribution of private investors was only six per cent. Laing and Cruickshank received subscriptions from around 250 individuals.

The failure of this scheme does not, however, mean the end of the Thermo-skyship project. Mr. Malcolm Wren, the company's chairman and managing director, said he remains confident it will go ahead, though development will now be carried out at a slower pace. Aside from the continuing European Ferries interest, other companies have approached the group with a view to taking a stake—though not in the way provided by this issue.

Mr. Benson said he could understand the attitude of the institutions, which were bound to take account of the interests of their shareholders in considering a project at such an early development stage. He expressed the hope that the Government would look into ways of making venture capital investments of this kind tax deductible for the private individual, as they are in the U.S.

# Berwick Timpo challenges Mr. Norman

The Board of **Berwick Timpo**, the toy manufacturer, has challenged Mr. Torquil Norman, the former executive chairman of the group, who resigned as a director in May of this year, to withdraw proposals which he has put to the group, or present them to shareholders for consideration.

Mr. John Oakley, Berwick's chairman, has written to shareholders and Charterhouse Japhet, Mr. Norman's advisers.

Mr. Oakley explains in his letter to shareholders that proposals for changes in the composition of the Board at Berwick had been put forward by Charterhouse in their capacity as Mr. Norman's advisers. "These proposals, which are principally intended to achieve Mr. Norman's re-election, have been rejected unanimously by your Board," Mr. Oakley says.

"In view of the damage that could be caused to the company by the present state of uncer*tainty, we have felt it necessary* to write to Charterhouse Japhet requesting that they and Mr. Norman withdraw these proposals formally or ask us to present them to you for your judgement," he adds.

It is understood that three proposals have been submitted by Mr. Norman's camp to the Berwick Board. It is proposed that Mr. J. Michael G. Andrews, a former chief executive of Williams Brandts, the merchant bank, and a director of Barrow Hepburn, the leather group, is appointed to the Board.

Other proposals include the removal of Mr. John Stitt from the Board and the appointment to the Board as chief executive of Mr. Norman.

Mr. Philip Ralph, head of Charterhouse Japhet's corporate finance department, would not comment yesterday on the proposals, or indicate what Mr. Norman's next move would likely to be. He said, "We agreed to do nohing until Monday. I thought it a good idea if everybody on both sides should count to ten and not speak to the *press*."

Mr. Norman departed as executive chairman in May after a boardroom disagreement.

Since then he has been adding to his 8 per cent shareholding and been mounting a campaign to re-establish himself at Berwick.

# Regional Properties ahead

Profits before tax of **Regional Properties** improved from £1.06m to £1.24m in the year ended March 31, 1979. Rent and other income less expenses amounted to £2.2m compared with £1.9m.

The profit was achieved despite a reduction of rental income of £101,000 resulting from obtaining vacant possession of Wellington House, Strand, to enable modernisation to take place.

*Earnings per share are shown* at 3.76p against 3.21p and as expected, an increased final dividend is recommended, up from 0.6p to 1p, lifting the total from 1.1p to 1.5p.

# J. & J. Dyson falls by some £1m as expected

AS FOREWARNED, pre-tax profits of **J. and J. Dyson** for the year to March 31, 1979 fell to around the £2m mark—the actual figure being £1.92m compared with £2.97m. The profit is after charging £243,104 on closure of the Blaenavon works.

The director's *forecast* was made at the interim stage when profits were down from £1.37m to £1.12m.

Turnover *for* the 12 months was £34.36m (£33.9m) and the net profit figure turned in at £1.23m *(£1.59m)*.

The total dividend is stepped up from 3.6p to 4.5p with a final payment of 2.215p net. Earnings per 25p share are stated at 9.03p (11.76p).

The group's interests include refractory materials and articulated trailers.

### ● comment

J. and J. Dyson has suffered an expected decline in its pre-tax profits. The 35 per cent fall in earnings, on a marginally increased turnover (up 1.3 per cent) is directly related to the poor state of the UK steel industry. Dyson manufactures, among other things, refractories used in steel production. The *recession in the steel industry* has caused profits to drop and has also resulted in the closure of Dyson's Blaenavon works in South Wales, at a cost of £243,104. Last winter's weather and transport strike caused added problems. But the company has embarked upon a programme of diversification and hopes to perform better next year when some of its more exotic ceramic products come on stream. A sign of confidence can be found in the 1979 total dividend, which has been raised 25 per cent over last year, giving a twice covered yield of 14.3 per cent at yesterday's "A" share price of 47p. The p/e is 5. If the current year is not plagued by more external problems, then Dyson stands a reasonable chance of improving its position in the near future. Meantime the yield is a major prop for the price.

# Wm. Cook second half decline

SECOND half profits of **William Cook and Sons (Sheffield)**, steel founders, slipped by some £60,000 to £303,150, but headway made in the first half resulted in the pre-tax figure for the year to March 31, 1979, improving by £75,538 to £621,260.

The directors report that the foundry industry continues to suffer from intense competition both at home and abroad, with the result that maintaining profit margins becomes increasingly difficult.

In spite of difficulties in this and the engineering industry the directors say that they face the future with confidence.

Yearly earnings per 20p share are up from 6.88p to 7.73p and the total dividend is effectively raised from 1.4p to 1.75p with a final payment of 1.05p. A one-for-three scrip issue is also proposed.

Sales moved ahead from £3.63m to £4.4m and the attributable balance advanced from £257,901 to £289,664.

BIDS AND DEALS

# Smith and Nephew's U.S. buy

IN A deal aimed at stepping up the growth of its U.S. business, **Smith and Nephew** has paid $18m (£7.8m) cash for Anchor Continental, a South Carolina-based maker of industrial adhesives and plaster-of-Paris bandages.

Anchor, purchased from its family owners, had a sales total of $35m (£15.2m) in the year to June 29, 1979, with net profits after tax of $1.85m (£800,000). Net assets amounted to $8.7m.

Smith and Nephew's chairman, Mr. Kenneth Kemp, said the size of the group's U.S. business, so far met by exports from Britain and Canada, was now large enough to require a production base. It already owns the small Gala Cosmetics company there.

Though outclassed in volume by such market leaders as Minnesota Mining and Manufacturing (3Ms), Anchor's products are nationally distributed and will fit in well with those of Smith and Nephew, he said. The UK company is also interested in the "valuable new technology" which it will obtain from the deal.

### LADBROKE IN SHIP LEASING DEAL

**Ladbroke Group**, the leisure conglomerate, has bought and leased a bulk carrier with **First International Bancshares** to defer tax liabilities.

The ship cost £14.6m but Ladbroke declined yesterday to say how much belonged to itself and how much to Bancshares. It is the biggest single leasing deal that Ladbroke has done so far. Ladbroke has been leasing vans, trucks, trailers and computers for several years, said Mr. Derek Sate, the finance director, yesterday. It was purely a tax deferment exercise common to most banks and many other companies.

### LONRHO

Lord Duncan Sandys, chairman of **Lonrho**, has sold 100,000 shares to renew the lease on his house. He retains nearly 200,000 which, he explained yesterday, he has no intention of selling.

# British Land Australian disposal

BY ANDREW TAYLOR

**British Land**, the UK based property group, has disposed of a 75 per cent stake in its Australian property portfolio in a unique deal to reduce its Australian debts.

British Land's Australian properties, valued at A$41m (£20.1m) are to be placed in a property trust in which the Post Office Staff Superannuation Fund will hold a 51 per cent interest and Conzinc Riotinto Staff Provident Fund and British Land will each have 24.5 per cent stakes.

As part of the deal the trust will take *responsibility* for repayment of mortgage loans totalling A$17.35m (£8.5m).

To acquire their stakes in the new trust the Post Office and Conzinco Riotinto — the staff pension fund of Conzinc Riotinto (Australia) which claims the second largest market capitalisation of any Australian company —will pay around A$19m (£9.3m).

This cash will be used by British Land to wipe out "substantial short-term debts" also incurred by its Australian property interests.

A spokesman for British Land in London said last night that after the repayment of the short-term debt the company would still be left with a surplus of several million Australian dollars from the sale of its property interests.

He said that the involvement of the Conzinc Riotinto Fund was in line with the current Australianisation requirements of the Foreign Investment Review Board.

The effect of this deal and other transactions over the past 15 months is thought to have reduced British Land's net debt from £146m to around £80m against a property portfolio valued at £209m on March 31 this year.

### DATNOW PAYMENTS RATIFIED

Shareholders of **Hardy and Co. (Furnishers)** gave an unexpectedly smooth passage yesterday to the motions for compensation totalling nearly £169,000 to two directors after the success of Harris Queensway's £23.5m bid.

The payments of £101,627 to Mr. Edward Datnow, the chairman, and of £66,981 to his brother, Mr. Arthur Datnow, also on the board, were quietly ratified at yesterday's EGM.

But Mr. Leonard Slotover, the president of Hardy, stressed openly after the meeting that "my family is not getting any compensation." The Slotover family, two of whom are on the board, accepted Harris's initial £25m offer, while the Datnows, distantly related, held out for the improved terms.

Mr. Edward Datnow said in the meeting that he had spent much time and money in getting the bid raised. But with some 46 per cent of the voting shares, including those of the Slotover family, already committed, the negotiating scope was limited.

He noted that the final price being paid for Hardy was more than a fifth above the original figure. The Datnow holding in Hardy was 47 per cent.

As for the compensation, he said this was calculated "according to normal practice." Mr. Datnow, who is stepping down as chairman, will be retained as a consultant for three years at £5,000 a year.

MINING NEWS

# Falconbridge boosts earnings

FALCONBRIDGE NICKEL, the second largest of the major Canadian nickel producers, has reported a dramatic improvement in first-half earnings. Net profits for the six months to June were C$56.2m (£20.6m), compared with a loss of over C$500,000 in the 1978 first half.

The improvement was mainly due to an additional contribution of C$32.1m from the integrated nickel operations and the extraordinary credit of C$12.6m for deferred income, Mr. Marsh Cooper, the president, said. There were also increased contributions from **Falconbridge Copper, United Keno Hill Mines** and **Wesfrob Mines**.

*Earnings* at the integrated nickel operations were C$33.8m against C$1.7m, reflecting the higher selling price of cobalt, additional sales of nickel and the weakness of the Canadian dollar relative to the U.S. unit.

There was a "slight improvement" in the financial position at Falconbridge Dominicana which in the 1978 first half lost nearl C$2m.

The greater strength of the nickel market meant that Falconbridge's inventory of finished nickel in all forms fell to 24.6m lbs by the end of June from 65.3m lbs at the end of the 1978 first half.

### NORTH KALGURLI AIMS TO REOPEN ITS GOLD MINE

AGAINST the background of the strong bullion price, Australia's **North Kalgurli Mines** is hoping to reopen its Fimiston mine in Western Australia which was closed down in 1975.

A placing of 2.18m shares of 30 cents—worth A$652,500, or £319,000—has ben made to fund a surface drilling programme, complete feasibility studies and provide working capital.

The proposed drilling programme, which is expected to start in the next two weeks, will be a prelude to any firm decision to reopen the mine.

It aims at establishing the existence of higher grade orebodies within the leases and, if successful, will lead to a major underground programme with a view to re-establishing ore production at a rate of about 200,000 tonnes a year.

Ore from other mines is currently treated at the company's plant but the latter is readily available to handle Fimiston production.

Drilling at the leases in 1975-1978 gave mostly modest values, ranging up to 4,474 centimetre-grammes in one hole, which are nonetheless considered encouraging. North Kalgurli shares were 18p in London yesterday.

# Results due next week

In a slim week for company results, the impact of sterling's rise on corporate earnings is again likely to be under scrutiny. One group particularly sensitive to exchange movements is Grindlays Holdings.

The Grindlays share price has been falling steadily in advance of the group's interim figures, due on Wednesday. Some analysts have decided not to make a forecast, partly because of the uncertain impact of exchange movements, but those who have taken the plunge believe it will be doing well to maintain last year's £19m pre-tax figure. With its heavy overseas interests Grindlays is more exposed to sterling's rise and the erosion of eurocurrency margins than the four clearers which have just announced their results. Furthermore, the decline in advance provisions which has helped earnings over the past few years is now tailing off and the tax position is less favourable as carried forward losses have been largely absorbed. Analysts are not expecting much joy on the dividend front as the group still needs a high level of retained earnings to strengthen its capital base.

Analysts are forecasting a slight increase in first quarter pre-tax profits over last year, to about £25m for Reed, the paper and publishing group. Reed has sold off its interests in Australia and South Africa, which will entail a loss of some profits. But it has been engaged in a programme of rationalisation here in the UK. Moreover, the group's Canadian company, Reed Paper, seems to have turned the corner from its loss-making situation. Reed International would still *probably be interested in selling* the Canadian subsidiary, though, if the price were right. Projections for the 1979-80 year suggest that pre-tax profits could increase from last year's £83m to between £90m and £100m.

Predictions vary widely about the second quarter results for **Hoover**, the worldwide domestic appliances group, with figures due next Thursday. Analysts agree that heavy redundancy payments will cut into earnings, as will the uncertain exchange situation caused by the strength of the pound. The company suffered a pre-tax loss of £619,000 in the first three months of 1979, but should earn a profit of between £500,000 and £600,000 in the quarter to June. Sales have been very strong, stemming in part from large pre-Budget purchases. But the real question mark continues to hang over the extent of the dent expected from foreign exchange losses.

Meanwhile, half yearly figures are due on Thursday from **Taylor Woodrow**. Although most analysts are looking for pre-tax profits to be unchanged from last year's £8.1m anything between £6-9m would generate little market reaction, as the interim figures are not necessarily a good indication of the likely full-year performance. The worst winter for around 30 years affected all construction companies and, with the strength of sterling, could have arrested any progress TW has achieved.

The interim figures from Nottingham Manufacturing due on Monday, are unlikely to give a clear indication of full-year profits. Analysts are looking for a pre-tax figure of around £5.5m against £5m last time with most of the rise accounted for by a strong increase in investment income. The bulk of trading profits are generally realised in the second half and the gloomy outlook for the textile and carpet sector will probably encourage the group to take a conservative view at the interim stage. Analysts believe, however, that the full-year figure will show that margins have been well protected, helped by the useful connection with Marks and Spencer.

Other companies reporting next week include **Lex Service Group, Vantona** and **Rentokil**, all of which are announcing interim figures.

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| FINAL DIVIDENDS | | | | |
| Allen (W. G.) and Sons (Tipton) | Thursday | 0.72 | 1.8504 | 0.8 |
| Amber Industrial Holdings | Thursday | — | 0.6354 | — |
| Austin (James) Steel Holdings | Thursday | 2.25 | 3.67 | 2.5 |
| Associated British Engineering | Monday | — | — | — |
| Belhaven Brewery Group | Friday | — | — | 0.42 |
| Brady Industries | Wednesday | 1.75 | 1.75 | — |
| Bromsgrove Casting & Machining | Wednesday | 0.8 | 1.4 | 0.9 |
| Cableform Group | Tuesday | 0.22 | 3.06 | 1.65 |
| Crey Electronics | Friday | 0.51 | 0.9861 | 0.57 |
| Ford (Martin) | Wednesday | 1.1 | 1.14446 | |
| | Thursday | — | 2.8375 | — |
| Gnome Photographic Products | Monday | 0.25 | 0.44273 | 0.275 |
| Hampson Industries | Wednesday | 0.9 | 2.1† | 1.65 |
| Hazlewoods (Proprietary) | Friday | — | — | — |
| Helical Bar | Wednesday | 1.0 | 3.9301 | 2.0 |
| Hillards | Monday | — | 1.062 | — |
| Investment Co. | Thursday | — | 1.0 | — |
| London & Gartmore Investment Trust | Thursday | 1.32 | 3.082 | 2.01 |
| Midland Trust | Wednesday | — | | |
| M.L. Holdings | Friday | 1.5 | 2.80852 | 2.0 |
| Morgan Edwards | Friday | 6.0 | 10.0 | 6.0 |
| Owen & Robinson | Friday | 2.0 | 2.29759 | 2.0 |
| Phoenix Timber Co. | Monday | 0.575 | 2.275 | 0.75 |
| Preedy (Alfred) | Thursday | 1.1616 | 1.9747 | 1.297 |
| Ransom (Wm.) & Son | Wednesday | 1.44 | 0.8031 | 1.688 |
| Russell (Alexander) | Monday | — | 4.5 | — |
| Smith Whitworth | Friday | — | 0.2835 | — |
| Stavert Zigomala & Co. (Holdings) | Thursday | 0.32 | 0.637 | 0.32 |
| Steinberg Group | Friday | 0.866 | 3.6716 | 0.9 |
| Ward & Goldstone | Wednesday | 0.97323 | 2.28928 | 1.08677 |
| Waring & Gillow (Holdings) | Tuesday | 0.86 | 1.93† | |

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| INTERIM DIVIDENDS | | | | |
| City Offices Co. | Tuesday | 2.5 | 6.5 | |
| Colonial Securities Trust | Monday | 1.3125 | 2.6875 | |
| Drayton Commercial Investment Co. | Monday | 2.0 | 5.4 | |
| Drayton Premier Investment Trust | Tuesday | 1.0 | 2.071 | |
| Ford (Martin) | Wednesday | 1.1 | 1.14446 | |
| Grindlays Holdings | Tuesday | 1.0 | 1.0 | |
| Hirst & Mallinson | Thursday | 5.61 | 6.39 | |
| Hoover | Thursday | 1.75 | 3.5 | |
| Law Debenture Corporation | Tuesday | 1.8 | 2.7 | |
| Lex Service Group | Monday | 3.0 | 4.78 | |
| MacDonald Martin Distilleries | Monday | 1.0 | 2.82232 | |
| Nottingham Manufacturing Co. | Tuesday | 1.8391 | 3.5344 | |
| Pratt (F.) Engineering Corpn. | Thursday | 0.72 | 1.15 | |
| Rentokil Group | Wednesday | 5.275 | 3.493 | |
| "Shell" Transport & Trading Co. | Tuesday | 2.01 | 6.4853 | |
| Taylor Woodrow | Thursday | 0.67 | 2.04134 | |
| Vantona Group | Tuesday | 1.9955 | 3.7566 | |
| Vosper | Wednesday | 2.5 | 3.0912 | |
| Weber Holdings | Monday | 1.75 | 9.0 | |
| Witter (Thomas) & Co. | Thursday | 0.67 | 2.84134 | |
| Yeoman Investment Trust | Wednesday | 3.0 | 5.625 | |
| INTERIM FIGURES | | | | |
| Ferguson Industrial Holdings | Friday§ | | | |
| Reed International | Thursday§ | | | |
| Smallshaw (R.) Knitwear | Wednesday | | | |

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim. ‡ Including second interim. § First quarter figures.

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# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and deals

A late burst of activity enlivened an otherwise quiet week in the bids and deals sector. Merck Incorporated, which originally offered 385p per share for Alginate Industies back in December, only for the bid to lapse after being referred to the Monopolies Commission, has, through Charles E. Frost, its UK subsidiary, offered new increased terms of 415p per share. Clearance for the re-opening of bid negotiations was given by the Commission on Wednesday. Alginate, Britain's largest seaweed processors, was holding discussions with both Merck and another U.S. company, FMC Corporation, but, following a 51 per cent acceptance of the new Merck offer, which values Alginate at £23.2m, FMC have withdrawn from the contest.

GEI made an agreed share exchange bid for steel and tool manufacturer, Sanderson Kayser. The offer puts a value of around £4.9m on the latter company; it has been accepted by 18 per cent of shareholders.

Lawrie Plantations sold some of their Indian tea estates held under the banner of the Jokai Tea subsidiary to Frendial for £3.8m. Lawrie, created last year through the merger of Jokai and Longbourne Holdings, state that they intend to carry on with tea planting through the remaining estates.

Bestobell rejected the £26m offer from BTR in a strong defence document forecasting annual profits well over the £6m mark. The defence is backed by Britannic Assurance, which holds around 10 per cent of Bestobell's equity.

Gallagher sold three properties used by its subsidiary, Warriner and Mason, for the sale and distribution of dairy products and groceries to Danish Bacon. Of the premises, two at Derby and Exeter are freehold, while the other, at Cardiff is on a 99-year lease. The total consideration amounts to £1.47m.

Non-executive director, Mr. Philip Lait, and a Swiss concern, Honesta Truband, placed 5½m shares of MFI Furniture Centres with various institutions on Monday. The stake, sold at 150½p per share represents some 8.3 per cent of the total equity. Meanwhile, Industrial and Commercial Finance Corporation sold its holding of 1.69m shares in Kitchen Queen for £0.9m, because of its desire to finance non-quoted companies.

Chairman Alan Bartlett disposed of 100,000 shares in Newman Industries to finance his court battle with Prudential Assurance, which alleges conspiracy and breach of duty over an acquisition made in 1975. Mr. Bartlett also added that he may have to sell more of his holding to pay for further litigation.

| Company bid for | Value of bid per share** | Market price** | Price before bid | Value of bid £m's** | Bidder | Final Acc't'ce date |
|---|---|---|---|---|---|---|
| Prices in pence unless otherwise indicated. | | | | | | |
| Alginate Inds. | 415* | 395 | 415†† | 23.6 | Merck | — |
| Allen (Edgar)¶¶ | 69½*§ | 61 | 63 | 9.63 | Aurora Hlds. | 20/7 |
| Bestobell | 200* | 212 | 206 | 26.3 | BTR | 2/8 |
| John Bright¶¶ | 40½* | 39 | 43 | 4.29 | Largs | — |
| Caplan Profile | 133 | 123 | 215†† | 5.98 | Pentos | — |
| Cartiers | 150* | 142 | 134 | 19.4 | Tesco | — |
| Ellis & McHardy | 185* | 180 | 67 | 2.22 | Mackan (UK) | — |
| Farm Feed | 95*§ | 92 | 94 | 1.08 | Consortium | — |
| Finlas | 182*§ | 175 | 175 | 1.33 | Chailey Secs. | — |
| Gough Bros. | 130* | 129 | 71 | 4.30 | Scottish & Newcastle | 9/8 |
| Hardy & Co. (Frnshrs.) 'A'¶¶ | 126§§ | 127 | 82 | 16.4 | Harris Queensway | 27/7 |
| Hawthorn Baker | 185* | 175 | 135 | 1.2 | Dunlop | — |
| James (J.) | 84½§§ | 80 | 55 | 23.8 | Wlsly. Hughes | 8/8 |
| Lebus (Harris) | 40 | 38 | 35 | 0.86 | PMA | 3/8 |
| Pye Holdings | 180*§ | 168 | 116 | 34.5 | Philips | — |
| Sanderson Kayser | 80§§ | 78 | 50†† | 4.79 | GEI | — |
| Sekong Rubber | £15½ | £15 | £10 | 2.32 | Majedie Invs. | — |
| Sheepbridge Eng. | 106 | 106 | 66 | 37.5 | GKN | 27/7 |
| Silhouette | 99½ | 95 | 55†† | 1.99 | Pawson | — |
| Silhouette 'A' | 94½ | 93 | 45†† | 1.11 | Pawson | — |
| Wellman Eng. | 65*§ | 65 | 68 | 2.00 | Rdmn. Heenan | — |

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 27/7/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

## PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | | Earnings* per share (p) | | Dividends* per share (p) | |
|---|---|---|---|---|---|---|---|
| AAH | Mar. | 6,820 | (6,300) | 15.2 | (14.0) | 7.0 | (6.14) |
| Arlington Motors | Mar. | 1,320 | (1,150) | 27.6 | (24.5) | 9.0 | (7.83) |
| Bevan (D. F.) | Mar. | 550 | (301) | 5.9 | (4.0) | 1.7 | (1.35) |
| Bickmn. & Conrad | Jan. | 81 | (216)L | 1.0 | (—) | — | (—) |
| Braithwaite | Mar. | 527 | (1,020) | 10.5 | (17.9) | 4.87 | (4.3) |
| Burt Boulton | Mar. | 14 | (781) | 2.0 | (32.6) | 7.0 | (10.0) |
| Cawoods Hldgs. | Mar. | 9,450 | (7,757) | 21.1 | (15.2) | 5.55 | (3.81) |
| Davy Corpn. | Mar. | 26,100 | (25,400) | 22.7 | (19.5) | 6.7 | (5.53) |
| Fitch Lovell | Apr. | 8,817 | (6,181) | 9.7 | (7.2) | 4.66 | (4.09) |
| Gordon & Gotch | Mar. | 833 | (1,007) | 8.5 | (12.3) | 5.9 | (2.64) |
| IAS Cargo | Mar. | 1,320 | (801) | 14.5 | (9.2) | 3.0 | (—) |
| Inchcape | Mar. | 41,052 | (62,274) | 20.2 | (40.7) | 16.5 | (15.0) |
| Ingram (Harold) | Apr. | 634 | (219) | 9.1 | (3.3) | 3.69 | (1.29) |
| Jarvis (J.) | Mar. | 574L | (519) | — | (17.2) | 10.9 | (9.54) |
| Laurence-Scott | Mar. | 1,350L | (2,040) | — | (19.6) | 2.0 | (5.0) |
| LEP Group | Mar. | 4,520 | (4,690) | 36.0 | (37.5) | 12.5 | (3.45) |
| MacArthy's Phm. | Apr. | 3,777 | (3,193) | 33.3 | (28.1) | 6.5 | (4.38) |
| Manson Finance | Apr. | 683 | (613) | 4.4 | (3.8) | 3.5 | (3.5) |
| Neepsend | Mar. | 1,280 | (1,050) | 9.3 | (3.8) | 3.22 | (3.22) |
| Rosgill | Mar. | 1,130 | (315) | 10.8 | (3.3) | 2.31 | (—) |
| Sheffield Rfmt. | Mar. | 220 | (180) | 6.4 | (6.0) | 2.29 | (1.83) |
| Siebe Gorman | Mar. | 3,565 | (4,412) | 28.3 | (27.5) | 6.41 | (5.64) |
| Stirling Knitting | Mar. | 306 | (380) | 11.3 | (6.7) | 0.75 | (0.75) |
| Symonds Engrg. | Mar. | 221 | (192) | 2.0 | (1.9) | 1.55 | (1.35) |
| Wheelers Rstnts. | Mar. | 768 | (641) | 29.8 | (21.1) | 5.88 | (4.25) |
| Woodrow Wyatt | Mar. | 369 | (68)L | 7.5 | (—) | 2.5 | (0.1) |

## Scrip Issues

Bevan (D. F.): One for five.
Cawoods Holdings: One for one.
Manson Finance: One for three.
Symonds Engineering: One for one.

## INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* per share (p) | |
|---|---|---|---|---|---|
| Albion | Mar. | 353 | (208) | 1.0 | (0.6) |
| Allied Textiles | Mar. | 1,657 | (1,646) | 2.82 | (2.82) |
| Barclays Bank | June | 244,000 | (152,000) | 8.25 | (6.05) |
| Bullough | Apr. | 2,780 | (2,170) | 4.2 | (3.0) |
| Concord Rotaflex | June | 523 | (539) | 0.52 | (0.52) |
| Dewhurst Dent | Jan. | 521 | (203) | — | (—) |
| Drake & Scull | Apr. | 1,304 | (1,106) | 1.25 | (1.0) |
| Howard Macay | Apr. | 359 | (151) | 0.58 | (0.55) |
| Jacobs (John I.) | June | 653 | (439) | 0.6 | (0.55) |
| Ladies Pride | May | 508 | (451) | 1.4 | (0.79) |
| Lovell (Y. J.) | Mar. | 815 | (717) | 1.5 | (1.5) |
| Mole (M.) & Son | June | 12 | (49)L | — | (—) |
| Nat. West. Bank | June | 220,600 | (109,000) | 7.25 | (5.68) |
| Prestige Group | June | 2,422 | (2,723) | 2.5 | (2.5) |
| Tace | Mar. | 265 | (207) | 0.8 | (0.5) |

(Figures in parentheses are for corresponding period)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. L Loss.

## Rights Issues

Bank Leumi (UK): One for two at 110p raising £1.1m†
† Approximate amount before expenses.

## Offers for sale, placing and introductions

Bank of England: Offer for sale by tender of £1.5bn 11¾ per cent Treasury stock 2003-07 at £96.50.

### APPOINTMENTS

# Two non-executive directors for Johnson Matthey

Mr. E. B. Bennett and Mr. J. H. Lutley have been appointed non-executive directors of JOHNSON MATTHEY AND CO. Mr. Bennett has recently retired from the Bank of England, where he was chief of exchange control. Mr. Lutley is Johnson Matthey's senior executive resident in North America and holds appointments as president of Matthey Bishop Inc. and vice-chairman of Johnson Matthey Limited, Canada.

*

Professor Michael Barrett, professor of pharmacology, will be pro-vice-chancellor of LEEDS UNIVERSITY for two years from September 1.

*

BRICKHOUSE DUDLEY has made the following appointments: Mr. E. G. Robinson has been elected managing director of Drainage Castings (Northern) while Mr. P. C. Taylor has become managing director of Drainage Castings (Burns). Mr. J. A. Parker is appointed European sales manager for Brickhouse Broads International and Mr. T. G. Thorogood becomes marketing manager for Brickhouse Dudley Manufacturing.

*

Rear Admiral A. J. Monk is joining the BRICK DEVELOPMENT ASSOCIATION on August 1 as director general.

*

Mr. Timothy Andrew Leese has become company accountant of WESTBRICK ENGINEERING.

*

Mr. J. Winstanley has resigned as a director of ASSOCIATED ENGINEERING as from September 30.

*

Mr. A. G. Genes, Mr. M. F. Mills and Mr. N. P. Sykes have been appointed directors of ALEXANDER HOWDEN INSURANCE BROKERS from August 1.

*

Mr. R. A. S. Moser has been appointed a director of GILLETT BROTHERS DISCOUNT FUND MANAGEMENT from August 1.

*

CENTRE-FILE, the computer bureau subsidiary of the National Westminster Bank Group, has appointed Mr. Brian Chorlton as controller, special services, a new position in the management structure. He was formerly systems development controller.

*

Mr. Alan A. Plant has been appointed general manager of MASSEY-FERGUSON (EXPORT) to succeed Mr. John D. Parsons when he leaves at the end of

Mr. Alan Plant

August. Mr. Plant is at present director farm machinery sales and service, Export Europe.

*

Mr. Richard F. C. Zamboni, who was recently appointed managing director of Sun Life Assurance Society, has become managing director of SOLAR LIFE ASSURANCE, a subsidiary. Mr. Peter E. Pummell, previously assistant general manager of Solar, has become general manager of that company. The appointments follow the death of Mr. Norman King, who was general manager of Solar.

*

Mr. R. P. Marsh has been appointed a director of C. E. HEATH AND CO (AVIATION) and C. E. Heath and Co. (Aviation Reinsurance Broking).

*

Mr. M. G. King and Dr. D. D. Brown, deputy general managers of CSR, retire at the end of March, 1980. Dr. Brown's responsibilities for the minerals and chemicals activities of the group will be taken over by Mr. B. N. Kelman. The corporate development group, at present reporting to Mr. Kelman, will then report to Mr. A. J. Campbell.

*

Mr. Jalil Sharaka, president of Bank Melli Iran, has been appointed chairman of IRAN OVERSEAS INVESTMENT BANK, London.

*

Br. Brian Womack has been elected deputy manager of the London branch office of ANCIENNE MUTUELLE REASSURANCE from September 1.

*

Mr. David R. Metcalf has been appointed group financial controller of MAT TRANSPORT INTERNATIONAL GROUP.

*

Professor Hugh Christopher Longuet-Higgins has been appointed a governor of the BRITISH BROADCASTING CORPORATION from August 1 to July 31, 1981 in succession to Mr. Roy Fuller, whose term of office expires at the end of this month.

*

Mr. Robert B. Thomson, manager of the Scottish General Insurance Company, a subsidiary of the GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION, is to take up a new appointment as the Corporation's group motor manager on August 1.

*

Mr. David Wallis, president of the British Woodworking Federation, has been elected a vice-president of CEI-BOIS, the European Confederation of Woodworking Industries.

*

Dr. Alexander Xingas has been elected managing director of CARL SCHENCK (UK). Mr. H. G. Glaassen, former managing director, has resigned to return to Germany.

*

Mr. A. V. B. Broke, of Josolyne Layton-Bennett and Co. has joined the COUNCIL OF THE INSTITUTE OF TAXATION.

*

Mr. Tim Walker, formerly joint marketing director of Hambro Life Assurance, has been appointed a director of HENDERSON UNIT TRUST MANAGEMENT, part of the Henderson Administration Group.

*

Mr. J. T. Williams, director of technical services, retires from THE NATIONAL PORTS COUNCIL on August 31.

*

Mr. A. Holden, director, refining, and Mr. C. S. Balson, general manager, finance and economics, of TEXACO LIMITED, have been elected to the Board of Texaco North Sea UK Company. Mr. A. D. Bulman, director, government relations, Texaco Limited, has joined the Board of Texaco North Sea UK Ltd. Mr. P. Howells, managing director, Texaco Overseas Tankship, has been appointed to the Board of Texaco Ltd.

*

The scheme of arrangement to separate Charterhall's 40 per cent interest in CCP NORTH SEA ASSOCIATES is now effective. Mr. D. G. Williams, Mr. M. A. H. Hendries and Mr. G. R. T. Heaney, directors of Charterhall Group, have resigned from the Board of CCP. Mr. Alan M. Harris and Mr. Nicholas H. Phillips have been appointed to the CCP Board as non-executive directors.

*

Mr. Malcolm A. Smith has been appointed head of the Statistical Service to the BRITISH WOOL TEXTILE INDUSTRY in succession to the late Mr. C. Douglas Haigh. Mr. Smith was secretary of the Wool Textile Delegation and he now takes up full-time duties at the Wool Industry Bureau of Statistics.

*

Mr. Anthony W. Beeson has been appointed a director of SUN LIFE ASSURANCE SOCIETY. He is chairman and joint managing director of the Beeson Group. From August 1, Mr. Frank A. J. Berry will become assistant general manager (marketing and sales) at Sun Life and Mr. David G. Thomas joins the executive as investment manager.

*

Mr. John Edwards, deputy managing director of Edgar Vaughan and Company, has joined the Board of KEVCO CHEMICALS following the acquisition of 50 per cent of the equity of that company by Vaughan.

# Perkins group post

Mr. Adrian J. Parsons, executive director of the Perkins Engines Group's UK operations, has been appointed managing director, PERKINS ENGINES LTD. In addition to his existing

Mr. Adrian Parsons

positions, he takes over responsibility for the newly amalgamated group finance division and the recently combined UK personnel and industrial relations division.

# Denis Ward joins Neepsend Board

Mr. Denis R. Ward has been appointed to the Board of NEEPSEND as a non-executive director. Mr. Ward has had many years' experience as a finance director in the steel industry and at Neepsend he will be particularly concerned with finance planning.

*

Mr. R. Atkinson, Mr. A. A. Watt, Mr. A. L. Wallis, Mr. E. S. Gibbons, Mr. A. M. Falconer and Mr. A. J. Laughland have been elected additional directors of EDGAR ALLEN BALFOUR. Mr. R. Atkinson has been appointed chairman of the company in place of Mr. J. D. Oakley. With the exception of Mr. Laughland, all the new directors are also directors of the parent concern, Aurora Holdings.

*

MERCANTILE & GENERAL REINSURANCE COMPANY has established an office at 18, rue Volney 75002 Paris. Mr. G. Y. Ayoub, in addition to being manager, Middle East, will also be Mercantile's resident representative for France.

*

Foseco Minsep has appointed Mr. R. K. Symmons as a director of CELMAC. Mr. Symmons is managing director of Heatherley Fine China and of Celmac Distributors.

*

The Foreign Exchange Committee of the BRITISH BANKERS' ASSOCIATION has been reconstituted under the chairmanship of Mr. D. G. Barber, who is general manager of Midland Bank and a member of the executive committee of the BBA. The two vice-chairmen of the new committee are Mr. W. F. J. Batt (National Westminster Bank) and Mr. E. G. Holloway (Bankers Trust Company).

*

Mr. Peter Cook has been appointed marketing and sales manager of the footwear division of PIRELLI to succeed Mr. V. Capitanio, who retires on August 31. Mr. Cook joins the company from Edge Shoes.

*

Mr. Lionel Savery, personnel director of IPC Magazines, has been appointed employment affairs adviser of the INSTITUTE OF PRACTITIONERS IN ADVERTISING from October 1. He succeeds Mr. John Dixey, who joined Guardian Newspapers as production director earlier this month.

*

Mr. Allan Churchman and Mr. Robert Bridge have been appointed associates of G. MAUNSELL AND PARTNERS. Mr. Ainsley Symmons becomes an associate on August 1 and will continue as manager in Swansea. Shakir Al Kubaisi and Mr. Peter Jarvis, have been made regional directors of Maunsell Consultants.

### CONTRACTS

# Crane Fruehauf wins £2m orders

CRANE FRUEHAUF has received orders worth £2m from the Gulf area of the Middle East and Saudi Arabia. In the Gulf the company has sold 130 heavy duty flat platform trailers, low-bed semi-trailers and steel-bodied dump semi-trailers for use in oilfields and construction works in the region. Saudi Arabia is taking 27 heavy duty dump semi-trailers fitted with steel bodies.

*

AISH ELECTRICAL CONTRACTING has been awarded two contracts worth over £220,000 by the Home Office to replace worn out equipment at Parkhurst top security prison on the Isle of Wight. One contract covers the second stage in the programme of upgrading the electrical distribution and cabling system for the whole site, while the other is for installing new lighting and replacing the present cell system with a modern and more sophisticated method in the prison's 600 or more cells.

*

Contracts worth £180,000 have been awarded to PRECISION AIR CONTROL by the Post Office telecommunications division for the installation of air handling plant at new automatic telephone exchanges at Bromley, Kent, and Langley in Buckinghamshire.

*

Glazing contracts worth more than £176,000 have been awarded to branches within the Western division of JAMES CLARK AND EATON. Some of the larger contracts are for patent glazing frontages to the new Concorde museum at Yeovilton and for the supply and glazing the new South West Gas Board office at Bath and Exeter.

*

Newcastle Airport has ordered a Compass 9000 secondary surveillance radar system worth £150,000 from COSSOR ELECTRONICS for air traffic control. The system is in two parts with the displays already delivered and the computer processing equipment to be installed next year.

*

REDIFON COMPUTERS has won two contracts worth around £135,000. Perkins Engines has ordered an R850 distributed data processing system to replace its Redifon data entry system, while the Irving Sellars-Mates Fashion Group is buying an R300 data entry system worth £48,600 for use in initial data preparation work and interrogation of master files.

# Alderney electricity move rejected

BY OUR OWN CORRESPONDENT

ALDERNEY Electricity Company's proposals for selling the company's assets and going into compulsory liquidation were rejected at an extraordinary general meeting of the shareholders in Alderney yesterday. The proposals were outvoted by the States of Alderney and the States of Guernsey which together, hold 88 per cent of the share capital.

The company's course of action had been dictated by differences of opinion on policy matters between themselves and the States.

Mr. Charles Britton, chairman of the company, said after the meeting that the board would continue to fulfil its responsibilities in the island.

"But if the States are going to limit our activities on a political basis while they have vested interests all the time, then no board will be able to operate efficiently. There is a strong feeling that they are feeling that they are trying to run Alderney Electricity behind the scenes on a political basis."

# Countryside Commission plea

THE COUNTRYSIDE Commission has appealed to the Government for more freedom, more staff and more money so that it can do its job properly.

In its annual report, the commission said: "To meet the challenges we need adequate resources of suitable staff.

"After a decade of rapid growth in countryside recreation and in public concern for the environment, it was only in 1978 that our complement reached the total of 120—the figure considered appropriate in 1968."

Regional offices in England were established after being refused for nine years said the report but their staffs were so small "there are limitations to what they can do."

Eleventh Annual Report of the Countryside Commission, HMSO £5.75.

# Wall St. regains early losses

**INVESTMENT DOLLAR PREMIUM**
$2.60 to £1—23¼% (21%)
Effectively $2.3145 9¾% (8¾%)

EARLY DRIFTING gave way to a slight rally in late trading on Wall Street yesterday, following news of a lower trade deficit for June.

After dipping 3.16 to 836.60, the Dow Jones Industrial Average recovered to close unchanged on the day at 839.76, for a net rise of 11.68 on the week. The NYSE All Common Index, at $58.73, rose 7 cents on the day and 84 cents on the week, while gains led losses by 772-to-578. Trading volume fell 457m shares to 27.8m.

The Commerce Department reported the June Trade Deficit was $1.9bn, compared with $2.48bn in May.

Analysts said the move by a number of large banks to an 11¾ per cent Prime rate from 11½ did not have much effect on the Stock Market because it had been expected.

**Exxon** finished up $¾ at $55—the Federal Trade Commission said it would file a Federal Court Action to prevent Exxon from carrying out its planned takeover of Reliance Electric.

**Del E. Webb** lost $¾ to $15¾ on lower second quarter and first half results, although it expects second half results to be "significantly higher" than the first half.

Xtra were lifted $4¾ to $23¾.

**Rosario Resources** jumped $3¼ to $30¼—it does not know of any specific reason for its rise.

**Pan Am** put on $⅜ to $7½ on volume of about 358,300 shares. **National** eased $⅜ to $47½—Pan Am now owns more than 50 per cent of National.

**Standard Oil Co. (Ohio)** improved $1⅜ to $60—it is offering to buy up to 1.7m of its shares at $61½ each.

THE AMERICAN SE Market Value Index added 1.08 at 199.58 making a rise of 4.21 on the week.

**Work Wear** rose $¼ to $8¾ on higher second quarter earnings.

**Crown Central** recovered $½ to $78¼—it said there had been some misinterpretation of its second quarter earnings.

**CANADA**—The advance continued in active trading yesterday, when the Toronto Composite Index rose 8.0 to 1,578.0.

The Metals and Minerals Index moved up 6.3 to 1,326.9, Oil and Gas 40.6 to 2,773.6, Utilities 1.96 to 230.25 and Papers 0.81 to 175.45. Golds put on 1.8 to 1,859.9 but Banks shed 0.86 to 320.98.

**Consolidated Bathurst** rose $¼ to $14 and **Weldwood Canada** $¼ to $23¼—each reported higher earnings and increased dividends.

**Interprovincial Pipe Line** gained $¼ to $18¼ and **HCI Holdings** $¼ to $12¼—also on improved results.

**TOKYO**—Higher in limited trading, led by Oils, Chemicals, and non-Ferrous Metals. Volume 320m shares.

**Mitsubishi Corp.** rose Y7 to 516 on reports that it and a subsidiary will acquire a 20 per cent interest in a U.S. oil refinery.

**Honda Motor** put on Y7 to 539 on good domestic sales.

Export-Orientated shares and Pharmaceuticals generally lower on profit-taking.

**PARIS**—Mixed to easier in very quiet trading.

Banks, Insurances, Department Stores and Chemicals mixed, while Properties, Investments, Foods, Oils, Motors, Constructions and Electricals eased.

Among Foreign shares, Americans, Germans and Canadians firmed, Dutch and Gold Mines eased, Oils and Coppers mixed.

**SWITZERLAND**—Prices rose in moderate trading, led by selected leading issues.

Banks and Insurances steady, Industrials rose.

Domestic Bonds barely steady. Foreign issues eased.

U.S. shares mixed, Germans rose, Dutch Internationals barely steady.

**HONG KONG**—Sharply higher, with Hang Seng Index rising 23 points to 623.21—a record for this year. Turnover sharply up at $HK242.5m ($HK155.72m).

**GERMANY**—Mostly higher on average turnover.

Strongest rises registered in Banks. Engineerings continued to firm, Motors mixed, Chemicals firmed, Stores further recovered.

Domestic Bonds mixed in quiet trading. Bundesbank Open-Market sales Dm 9m after Dm 72.6m Thursday.

Mark Foreign Loans maintained.

**AUSTRALIA**—Minings active, while Industrials generally steady.

**Renison** 40 cents higher at A$11. **Peko-Wallsend** gained 14 cents to A$5.44.

Among Diamonds **Carr Boyd** rose 5 cents to 42 cents.

## Indices

### NEW YORK—DOW JONES

| | July 27 | July 26 | July 25 | July 24 | July 23 | July 20 | 1979 High | 1979 Low | Since Compil'n High | Since Compil'n Low |
|---|---|---|---|---|---|---|---|---|---|---|
| ● Industr'ls | 839.76 | 839.76 | 838.51 | 829.78 | 825.51 | 828.07 | 878.72 (10/4) | 807.00 (27/2) | 1051.70 (11/73) | 41.22 (2/7/32) |
| H'me B'nds | 85.53 | 85.73 | 85.70 | 85.82 | 85.58 | 85.74 | 85.87 (5/7) | 82.92 (9/5) | — | — |
| Transport. | 251.70 | 250.58 | 250.73 | 247.86 | 247.52 | 248.64 | 251.70 (27/7) | 205.78 (27/2) | 279.88 (7/2/69) | 12.23 (8/7/32) |
| Utilities | 108.15 | 108.15 | 107.86 | 107.34 | 107.31 | 107.85 | 108.28 (10/7) | 98.51 (16/5) | 163.32 (20/4/69) | 10.58 (28/4/42) |
| Trading Vol 000's | 27,800 | 32,570 | 34,950 | 28,700 | 26,960 | 36,420 | — | — | — | — |

● Day's high 842.66 low 833.28

| Ind. div. yield % | July 20 | July 13 | July 6 | Year ago (approx) |
|---|---|---|---|---|
| | 5.83 | 5.78 | 5.69 | 5.62 |

### STANDARD AND POORS

| | July 27 | July 26 | July 25 | July 24 | July 23 | July 20 | 1979 High | 1979 Low | Since Cmpil't'n High | Since Cmpil't'n Low |
|---|---|---|---|---|---|---|---|---|---|---|
| ‡Indust'ls | 114.03 | 114.08 | 114.10 | 112.80 | 112.51 | 112.57 | 115.88 (8/1) | 107.08 (27/2) | 134.64 (11/1/73) | 3.52 (30/6/32) |
| §Composite | 103.10 | 103.10 | 103.08 | 101.97 | 101.59 | 101.82 | 104.47 (9/7) | 96.13 (27/2) | 125.85 (11/1/73) | 4.40 (1/6/32) |

| | July 25 | July 18 | July 11 | Year ago (approx) |
|---|---|---|---|---|
| Ind. div. yield % | 5.34 | 5.32 | 5.21 | 4.53 |
| Ind. P/E Ratio | 7.99 | 7.87 | 8.03 | 9.40 |
| Long Gov. Bond Yield | 8.91 | 8.92 | 8.86 | 8.66 |

### N.Y.S.E. ALL COMMON

| July 27 | July 26 | July 25 | July 24 | 1979 High | 1979 Low |
|---|---|---|---|---|---|
| 58.75 | 58.66 | 58.62 | 57.98 | 59.32 (9/7) | 53.88 (27/2) |

### Rises and Falls

| | July 27 | July 26 | July 25 |
|---|---|---|---|
| Issues Traded | 1,851 | 1,844 | 1,877 |
| Rises | 772 | 783 | 1,081 |
| Falls | 578 | 608 | 409 |
| Unchanged | 501 | 453 | 387 |
| New Highs | — | 72 | 71 |
| New Lows | — | 4 | 7 |

### MONTREAL

| | July 27 | July 26 | July 25 | July 24 | 1979 High | 1979 Low |
|---|---|---|---|---|---|---|
| Industrial | 266.96 | 264.18 | 260.61 | 259.04 | 278.18 (28/6) | 219.19 (2/1) |
| Combined | 265.34 | 264.21 | 261.52 | 260.15 | 275.15 (29/6) | 225.80 (2/1) |
| TORONTO Composite | 1578.0 | 1570.0 | 1559.9 | 1547.1 | 1618.6 (29/6) | 1315.8 (2/1) |
| JOHANNESBURG Gold | 297.1 | 297.8 | 297.5 | 302.7 | 308.4 (25/6) | 228.4 (17/4) |
| Industrial | 315.7 | 312.4 | 311.8 | 311.5 | 330.0 (25/6) | 270.5 (2/1) |

| | July 27 | Previous | 1979 High | 1979 Low |
|---|---|---|---|---|
| Australia (¶) | 590.76 | 588.15 | 597.68 (19/3) | 545.72 (2/1) |
| Belgium (‖) | 105.82 | 105.56 | 109.00 (5/7) | 98.50 (3/1) |
| France (††) | 87.11 | 87.40 | 87.48 (25/7) | 83.32 (8/1) |
| Denmark (**) | 86.5 | 86.5 | 87.5 (11/7) | 71.5 (15/3) |
| Germany (‡‡) | 755.90 | 748.5 | 839.6 (10/1) | 718.4 (7/6) |
| Holland (§§) | 75.7 | 75.0 | 85.9 (24/1) | 71.3 (7/6) |
| Hong Kong (¶¶) | 623.21 | 600.21 | 625.21 (27/7) | 493.53 (2/1) |
| Italy (‖‖) | 82.90 | 82.15 | 82.90 (27/7) | 68.36 (2/1) |
| Japan (a) | 445.00 | 442.86 | 462.97 (31/1) | 435.13 (13/7) |
| Singapore (b) | 385.24 | 381.44 | 404.13 (28/5) | 349.34 (25.) |

| | July 27 | Previous | 1979 High | 1979 Low |
|---|---|---|---|---|
| Spain (d) | 83.84 | 82.88 | 111.96 (8/3) | 81.82 (13/7) |
| Sweden (e) | 353.54 | 348.44 | 401.34 (6/2) | 338.86 (25/6) |
| Switzerld (f) | 315.2 | 312.1 | 329.1 (2/5) | 294.0 (3/1) |

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

### FRIDAY'S ACTIVE STOCKS

| | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Pan-Am Air. | 460,800 | 7½ | +⅜ |
| Continental Air. | 397,800 | 13¼ | −¼ |
| K'man & Broad | 330,000 | 10 | +1½ |
| IBM | 328,000 | 68⅞ | — |
| Braniff | 323,000 | 11½ | — |
| Fotomat | 285,200 | 9½ | +1 |
| Gulf West | 264,600 | 16¾ | +⅜ |
| Travelers | 258,400 | 40¾ | −¼ |
| Xtra | 250,100 | 23¾ | +4¾ |
| Phillips Petrol'm | 235,100 | 39¾ | — |

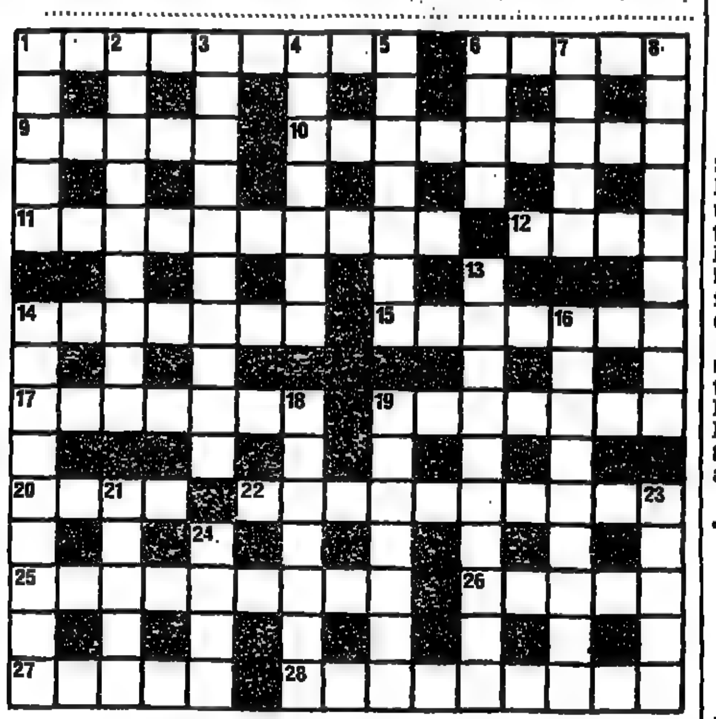
## F.T. CROSSWORD PUZZLE No. 4,033

*A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.*

*Name* ..........

*Address* ..........

..........



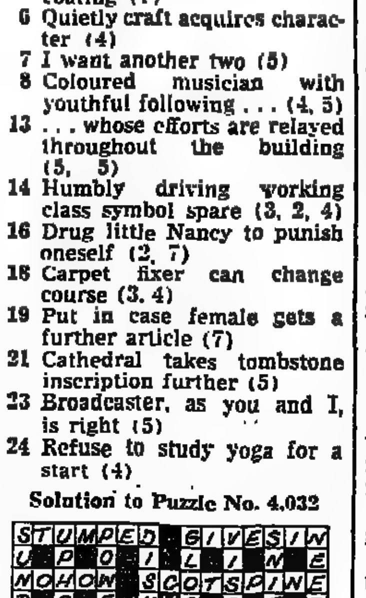
**ACROSS**

1 Animal and a master managed a boat (9)
6 Lodge deliberately planned (3, 2)
9 Coloured outside right was inquisitive (5)
10 Argue to change sound of Shakespeare's shrew (9)
11 Pinch with food very close (3, 3, 4)
12 Break for card game (4)
14 Third-rate second mentioned noise (7)
15 Couldn't remember words but helped with the dishes (5, 2)
17 Attending to offer (7)
19 Person caught napping is run over by train (7)
20 Frenchman without an average (4)
22 Inferior digs up saps (10)
25 Shavian piece for coxswain? (5, 4)
26 Strength is returning to novel (5)
27 Splendid—you could say swell also (5)
28 Stay away from guard net (4, 5)

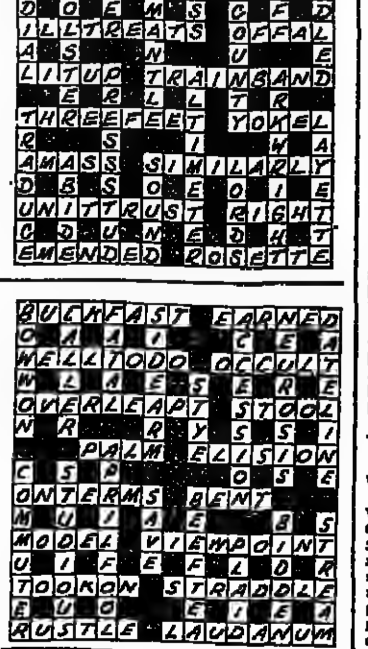
**DOWN**

1 Hooded fowl (5)
2 Follow even aircraft stabiliser (4, 5)
3 Parisian girls who start at noon (10)
4 Authentic nonsense upset man of property (7)
5 Saw cake without sugar coating (7)
6 Quietly craft acquires character (4)
7 I want another two (5)
8 Coloured musician with youthful following . . . (4, 5)
13 . . . whose efforts are relayed throughout the building (5, 5)
14 Humbly driving working class symbol spare (3, 2, 4)
16 Drug little Nancy to punish oneself (2, 7)
18 Carpet fixer can change course (3, 4)
19 Put in case female gets a further article (7)
21 Cathedral takes tombstone inscription further (5)
23 Broadcaster, as you and I, is right (5)
24 Refuse to study yoga for a start (4)

**Solution to Puzzle No. 4,032**



### SOLUTION AND WINNERS OF PUZZLE No. 4,027



Following are the winners of last Saturday's prize puzzle:

Mrs. E. Mather, 6, Chertsey Road, Bristol BS6 6NB.

Mr. J. A. Vallintine, 36, Wendover Court, Chiltern Street, London W1M 1PE.

Miss Angela Zemaitis, 56, Blenheim Avenue, Chatham, Kent ME4 6UX.

هكذا من الأصل

**RACING** — **BY DOMINIC WIGAN**

# Troy ready to run the race of his life

SANTA CLAUS (2-13) and Petite Etoile (2-5) both came unstuck in previous runnings of the King George VI and Queen Elizabeth Diamond Stakes, but it is difficult to see a similar fate befalling Troy at Ascot today.

Although I find it difficult to understand the reasoning of those who already rate the dual Derby winner as possibly Britain's horse of the century, *there is no doubt that Troy is a top-class performer.*

The seven-lengths winner at Epsom despite a far from trouble-free run in the hands of Willie Carson early in the straight, Troy proved equally dominant at the Curragh, again brushing aside Epsom runner-up Dickens Hill. The form of both races has worked out remarkably well and the West Ilsley camp must have been more than satisfied to observe Dickens Hill's game victory over several older animals in the Eclipse.

Troy, who has twice shown his appreciation for top of the ground conditions, took little out of himself at the Curragh, where Carson steered well clear of trouble. I have little doubt that Dick Hern will have him ready to run the race of his life today. If so Troy will have matters under control some way from home.

For backers not prepared to go in at around 3-1 on the favourite, Ela-Mana-Mou looks the best each-way alternative. The Guy Harwood-trained colt beat Troy on merit in the Royal Lodge Stakes over the course last autumn, and may well have been feeling the effects of his Derby and King Edward VII efforts when giving a lacklustre display in the Grand Prix de Saint Cloud. Ela-Mana-Mou, who with only seven runners declared will have to finish first or second to justify each-way support, is available at 8-1.

Ascot in immaculate condition was the scene of two conspicuously fine pieces of riding in the opening events yesterday. Edward Hide brought the previously disappointing Laska Floko with a beautifully-timed late run to take the Cranbourn Chase Stakes, and half an hour later Michael Miller used similar tactics with equal skill in the Rous Memorial Stakes. Content to bide his time on the course winner, St. Terramar, until the last half-furlong, Miller produced Bill Guest's four-year-old with a beautifully judged run, and the well-backed sprinter foiled Lester Piggott on Roger Bacon.

Piggott, amazingly, is without a ride in the King George VI and Queen Elizabeth Diamond Stakes—which would have been unthinkable at the start of the season—but is unlikely to be out of the lime light for long. Thirty-five minutes after the big race I expect him to land the Granville Stakes on Harry Wragg's bay Jukebox colt, Abington.

This sharp juvenile is out of the Irish 1,000 Guineas runner-up Silky, a half-sister to Freefoot and Moulton. She may have most to fear from two chestnut sons of Northfields, Hill's Northern, and Toondra, who were bought as yearlings at 25,000 and 23,000 guineas respectively.

**ASCOT**

2.00—Commander Bond
2.35—Vielle***
3.20—Troy
3.55—Abington
4.25—Flying Walter**
5.00—Silver Lord*

### SPAIN ♥

| July 27 | Per cent | |
|---|---|---|
| Banco Bilbao | 260 | +4 |
| Banco Central | 281 | +2 |
| Banco Exterior | 264 | — |
| B. Granada (1,000) | 134 | — |
| Banco Hispano | 242 | — |
| Bco. I. Cat. (1,00) | 148 | +1 |
| Banco Madrid | 192 | +1 |
| B. Santander (250) | 288 | +4 |
| Bco. Urquijo (1,000) | 223 | −4 |
| Banco Vizcaya | 262 | — |
| Banco Zaragozano | 210 | — |
| Dragados | 120 | +3 |
| Espanola Zinc | 76 | — |
| Fecsa (1,000) | 54 | +0.25 |
| Gal Preciados | 62.5 | +2.5 |
| Hidrola | 62 | — |
| Iberduero | 57 | +1 |
| Petroliber | 39 | — |
| Petroles | 128 | +6 |
| Sogefisa | 122 | — |
| Telefonica | 70 | — |
| Union Elec. | 83 | +2 |

### BRAZIL

| July 27 | Price Cruz | + or — | Cruz Div. | Yld % |
|---|---|---|---|---|
| Acesita | 0.85 | −0.01 | 0.14 | 16.28 |
| Bancodo Brazil | 1.63 | | 0.11 | 6.75 |
| Banco Itau PN | 1.31 | | 0.08 | 6.11 |
| Belgo Mi'eira OP | 1.66 | −0.02 | 0.08 | 4.76 |
| Lojas Amer O.P. | 2.12 | +0.02 | 0.20 | 9.52 |
| Petrobras PP | 1.38 | +0.07 | 0.13 | 9.92 |
| Pirelli OP | 1.10 | +0.05 | 0.08 | 7.48 |
| Souza Cruz OP | 2.25 | | 0.08 | 3.55 |
| Unip PE | 3.85 | +0.15 | 0.32 | 8.65 |
| ValeRioDoce PP | 1.51 | | 0.16 | 9.93 |

Turnover: Cr.93.4m. Volume: 66.0m.
Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

♦ DM 50 denom. unless otherwise stated. ♠ Pta 500 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. Φ FFr 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

### NEW YORK

[illegible]

### CANADA

[illegible]

### GERMANY ♦

[illegible]

### TOKYO ¶

[illegible]

Source Nikko Securities, Tokyo

### OSLO

[illegible]

### AUSTRALIA

[illegible]

### SWITZERLAND ●

[illegible]

### MILAN

[illegible]

### PARIS

[illegible]

### AMSTERDAM

[illegible]

### BRUSSELS/LUXEMBOURG

[illegible]

### STOCKHOLM

[illegible]

### COPENHAGEN ♣

[illegible]

### VIENNA

[illegible]

### JOHANNESBURG

[illegible]

Financial Rand U.S.$0.84
(Discount of 25%)

# Commission to probe Bourse charges

PARIS—The French Economics Ministry has set up a Commission to study the possibility of reducing the cost to French investors of transactions on the Paris Stock Exchange. The Ministry said it was essential that the cost of operations involving securities be as low as possible in order to develop the number of shareholders in France.

It added that in view of the progress achieved in the field of computer technology, "substantial cost reductions can be envisaged." The Ministry remarked that in this respect it is essential that the techniques used on French stock markets be as advanced as those operational on other markets.

The Commission will include representatives of banks, industry, stockbrokers, insurance companies and the Paris Stock Exchange.

AP-DJ

## Fingest share swap

Invest SPA, which bought a controlling interest in Fingest SPA last June, has decided to absorb the financial holding company through a merger, reports AP-DJ from Milan.

Under the operation, which must be approved by shareholders, Invest will issue seven of its own shares of par value L2,000 in exchange for every 11 Fingest shares of par value L1,000.

## NOC purchase

Netherlands Off-Shore Company (NOC) and J. Ray McDermott Unit Oceanic Contractors have reached agreement on the latter's purchase of NOC. Agreement is conditional on approval by the respective Boards of the companies, Government consent and legal opinions, Reuter reports from Amsterdam.



JAPANESE MOTOR INDUSTRY

# Lower profits at Nissan and Honda

BY YOKO SHIBATA AND RICHARD HANSON IN TOKYO

SLUGGISH export sales and foreign currency translation losses have hit the profits of two leading Japanese carmakers, Nissan Motor and Honda Motor Co.

Nissan, the second largest manufacturer with its range of Datsun cars, reported a 30 per cent drop in consolidated net profit to Y66.84bn ($311m) for the year ended March, 1979. However, the company sees sweeping improvement both in sales and earnings for the current 12 months as a result of a firm domestic market and a recovery of its export profitability.

Honda, in its first ever consolidated quarterly report, discloses that consolidated net profit for the three months to May 31 was lower at Y2.15bn on sales of Y309.72bn. The company said it was adversely affected by currency losses.

The group sold 616,000 motorcycles (slightly down on last year) in the period, with slightly more than 60 per cent going to overseas buyers. It also sold 191,000 Honda cars, but here the number sold overseas was only 31 per cent of the total.

Nissan, hit by a fall in demand in its export markets, pushed its domestic sales hard during fiscal 1978 with the result that the overall figure edged up 2.3 per cent

A Y11.7bn loss was generated by five overseas consolidated subsidiaries, these being Nissan U.S., Nissan Mexico, Nissan Australia and Nissan Manufacturing in Australia, and Nissan Canada, which dragged down consolidated earnings.

Per share earnings on a consolidated basis went down to Y43.93 from Y71.89 a year earlier.

For the current year, the company expects sales of Y3,000bn (up 13 per cent), operating profits of Y160bn (up 60 per cent) and net profits of Y85bn (up 27 per cent).

Forty-four subsidiaries were consolidated, and earnings of 23 non-consolidated subsidiaries and affiliates were reflected under equity method.

* * *

*IN THE first half of 1979,* exports of passenger cars from Japan totalled 1.46m units, down 3.9 per cent from a year before, according to the Japan Automobile Manufacturers Association. Truck exports were 647,255 units, down 16.5 per cent, and buses were 14,139 units, up 13 per cent. Exports to North America totalled 978,054 units, down 10.2 per cent from a year before, while those to South-East Asia, 179,389 units, down 17.3 per cent. In the Middle East 176,990 units were exported, down 30 per cent, while Europe at 486,001 units, rose 17.5 per cent.

Exports by Toyo Kogyo, Suzuki Motor and Fuji Heavy Industries rose above the year-earlier levels, but those by eight other companies including Toyota Motor and Nissan declined. Motorcycle exports in June totalled 186,192 units, down 14.7 per cent, while those in the first six months came to 1,206,474 units, down 27.2 per cent. The setback was due to declines in exports to North America, Middle East and South-East Asia.

# Strike hits earnings at MacMillan Bloedel

VANCOUVER — MacMillan Bloedel, Canada's largest forest products company, estimated in an interim report that losses from strikes this year at its facilities in British Columbia total about C$22m before income taxes.

The company said that because of the picketing, lost production to date includes 29,500 tonnes of newsprint, 26,000 tonnes of market pulp and 61m board feet of lumber, *plus significant amounts of* other building and packaging materials.

For the second quarter, MacMillan announced net earnings of C$2.23 a share compared with a re-stated C$1.15 last time. Total net was C$49.8m this year. The company did not provide a re-stated net income for the comparable period, but said that earnings were 94 per cent up.

For the first half, total net of C$90.5m or C$4.13 a share compared with a re-stated C$44.1m or C$1.95. Sales and other income totalled C$1.13bn against C$959m previously.

Reuter

# Pan Am acquisition of National shares likely to be decisive

BY JOHN WYLES IN NEW YORK

PAN AMERICAN World Airways said yesterday that as far as it knew, none of the approximately 2.2m shares of National Airlines it has bought in the open market this week were part of the block owned by Texas International Airlines (TXIA).

Pan Am's purchases, worth slightly more than $100m, bring *its total holding in National to* 51 per cent and makes it virtually certain to acquire the domestic airline routes it has long sought. For the moment, though, its holdings must be kept in a non-voting trust until the Civil Aeronautics Board issues the formal approval it has already indicated for the takeover.

Attention now focuses on precisely what TXIA plans to do with the slightly less than 25 per cent of National's 8.6m shares it apparently still owns. The Dallas-based carrier is refusing to comment, but according to reports here yesterday it has been offering its shares to other airlines, and to non-airline companies as well.

Pan Am had reached agreement with National on a tender offer of $50 per share, and has bought its stock this week at around that price. Eastern has also offered to pay $50 for National, but is still waiting for a CAB decision on whether it would be allowed to merge with one of its principal competitors.

# Paribas unit in Japanese consumer finance venture

BY RICHARD HANSON IN TOKYO

ORIENT LEASING, Japan's largest leasing company, is to establish a consumer financing company with Cetelem, the consumer financing unit of Paribas-affiliate Compagnie Bancaire. The new venture will concentrate mainly on instalment credit sales in Japan.

Orient Leasing will hold 80 per cent of the new company, Family Consumer Credit, with Cetelem taking the balance of the initial capital which will be Y100m. Operations begin next month. The new venture will be the first time that a Japanese leasing company has entered the consumer financing field. The Paribas group has for some time been looking for a means of entering the Japanese market. Orient officials said the consumer finance area could eventually become more important than leasing. The company projected that initial turnover would be Y1bn for the first year.

In establishing the new company, the Paribas group will acquire 3 per cent of the outstanding shares in Orient Leasing, becoming the seventh largest shareholder.

● Mitsubishi Corporation is to acquire a 20 per cent stake worth about $10m in Fletcher Oil and Refining Co. of the U.S. Under the agreement, the U.S. subsidiary Mitsubishi International will receive sales rights in the U.S. for some of the petrol and heavy oil produced by Fletcher Oil, which has an oil refining capacity of 30,000 barrels a day with annual sales totalling about $200m.

# Sharp reduction in loss by German steelmaker

BY ROGER BOYES IN BONN

WEST GERMAN steel concern Stahlwerke Roechling-Burbach, has managed to reduce its record loss by almost two-thirds for last year, but the outlook for 1979 is still dogged by the high cost of scrap metal and keen overseas competition.

Roechling Burbach, the leading producer in the Saar, was *one of the companies worst hit* by the recession in the steel industry. At the same time, it has found it difficult to adapt rapidly to the slight upturn in demand for mass and special steels this year.

The company suffered its worst-ever year in 1977 with losses of DM 211.8m, due to a collapse in demand for mass steels. The same factor pervaded the 1978 results, but thanks to relatively cheap fuel costs (the result of heavily subsidised coking coal and the low price of other raw materials), losses were limited to DM 78.1m.

There are some positive trends in the first half which *should make for high demand* from principal steel consumers. The building boom is still under way (though there are signs that it is beginning to slacken), there is a generally healthier investment climate, and there is a continuing high demand from the motor industry. Prices for mass steels have also gone up slightly this year.

# Setback for Pittston in second quarter

By Our Financial Staff

SECOND QUARTER earnings of the Connecticut-based petrol, coal and transport concern Pittston declined due to continued weakness in the metallurgical and steam coal markets and higher costs. The company yesterday reported second quarter earnings of 33 cents a share, down from the 55 cents earned in the corresponding period of last year.

Net income for the period declined from $20.6m to $12.1m, on sales of $356.2m against $349.2m.

The picture for the first half, however, looks considerably brighter, principally because earnings for the comparable period were badly hurt by the strike of the United Mine Workers, which halted coal production for virtually the whole of the first quarter.

First half net income rose from $387,000 or 1 cent a share to $39.1m or $1.04. Sales for the six months advanced from $666.7m to $862.8m.

# Aetna Life results show declining rate of growth

BY OUR FINANCIAL STAFF

PREDICTIONS OF a slower growth rate at Aetna Life and Casualty, the largest publicly-owned insurance group in the U.S., have been borne out by the second quarter results. Operating earnings are up by 8.2 per cent to $151.9m, or from $1.73 to $1.88 a share. This compares with an 18 per cent rise in the first quarter.

The first six months now show operating earnings at $274.3m, or 12 per cent up on the comparable period. The company, which is a major factor in life, health and casualty fields, completed the acquisition of American Re-Insurance for $327m in May this year.

After a substantial and progressive gain in earnings over the past few years, Aetna is expected to slow down in 1979 as inflation and rising costs begin to cut into the various areas of the company's business. Non-insurance sectors still play a marginal role in the earnings record.

# Plessey quits ATL race

BY OUR SYDNEY CORRESPONDENT

Plessey, the UK based international electronics group, will not be making a takeover bid for Australian electronic betting systems group, ATL Ltd. The news, announced by the parent group and not the Australian subsidiary, seems to leave the way open for Smorgon, ATL's Melbourne based former takeover suitor, to add to its 23 per cent equity stake.

When Smorgon withdrew its original offer of A$1.45 a share—after ATL disclosed major asset sales and large write-down provisions—it said it would be willing to buy ATL shares in the market up to A$1.20 a share. The market has since traded consistently above this level pending clarification of Plessey's intentions.

# Big Waltons stake sold

BY JOHN ROGERS IN SYDNEY

THE FUTURE of the troubled Australian retailer Walton is in the balance after yesterday's special sale of 2.5m shares. The parcel, which represents 5.3 per cent of the capital, is understood to have been bought by the Melbourne businessman Mr. Morris Joss. If market suggestions are correct, he and three of his business comrades now own 9.7 per cent plus an option to buy another 4.4 per cent within the next six months.

Mr. Joss, his long-time business associate Mr. Abe Goldberg and the two owners of the Sussan retail group, Mr. John Gandel and Mr. Mark Besan, bought a 4.4 per cent interest from the Walton's Staff Fund earlier this week after revising their bid for the whole of the fund's 17.7 per cent stake.

It is understood that the four businessmen are also bidding for the AMP Society's 9.7 per cent. If this succeeds, they will have 23.7 per cent of the asset-rich, earnings-poor retailer.

# Little change at Chubb

BY OUR FINANCIAL STAFF

OPERATING INCOME at Chubb Corporation, the major insurance group, slowed down during the second quarter, and there were also losses on investments which are excluded from the operating figures.

Second quarter net operating income comes out 0.8 per cent higher at $23.7m, with per share earnings at $1.91 against $1.89.

The first half figure shows a gain of 8.9 per cent at $45.3m, with per share earnings of $3.64 against $3.34.

But the figures for both periods exclude investment losses of $1.7m in the second quarter, compared with a profit of $2.9m, and a loss of $100,000 in the half year compared with a gain of $2.8m last time.

Chubb is a major aircraft insurance company in the U.S., but also operates in the ocean marine and inland marine markets.



COMMODITIES REVIEW OF THE WEEK

# Coffee down as frost danger recedes

BY OUR COMMODITIES STAFF

COFFEE led a general fall in prices on London's leading "soft" commodities market this week.

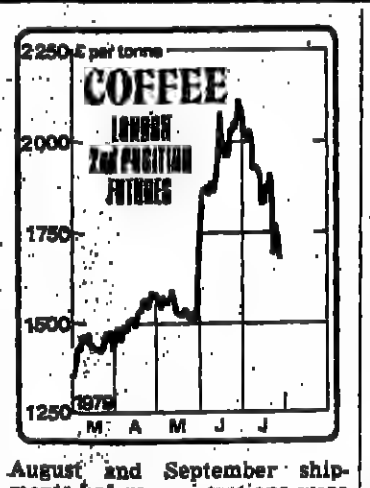
Last weekend was taken by many traders to be the climax of Brazil's coffee frost risk period, especially as temperatures had fallen to alarmingly low levels over the previous few days. In the event, however, although isolated light frosts were recorded on Saturday, no significant damage was done to the coffee crop.

That prompted a price shake-out that took the September position on the London futures market down to £1,692.5 a tonne at Tuesday's close.

The market recovered somewhat on Wednesday, aided by support buying by the Bogota Group of Latin American coffee producers, but sentiment remained basically "bearish" throughout the week as temperatures rose in Brazil's coffee regions.

Yesterday, September coffee *fell £55 to £1,673 a tonne for* a fall on the week of £198.5.

The Brazilian Coffee Institute announced that it had opened coffee export registrations of *October shipments* at a minimum price of $2 a pound, the same as that in force for July,




August and September shipments before registrations were closed because of declining prices on July 16. August and September registrations remain closed.

London dealers said the news had little impact on market prices.

A contributing factor in the coffee price fall was the continued strength of sterling. That was the main influence on the cocoa, sugar and rubber markets.

September delivery cocoa lost £91 on the week to end at £1,347.5 a tonne, while the RSS No. 1 spot rubber price closed 2.75p lower on the week at 57p a kilo.

The London daily raw sugar price ended the week £5.5 lower at £92 a tonne. Apart from the rise in the value of the pound, that decline was also influenced by growing pessimism about the prospect of the U.S. sugar bill being considered in Congress before the August recess. "Bearish" chart indications and lack of consumer buying interest also encouraged the fall.

Price trends on the London Metal Exchange were mixed with tin and zinc falling sharply but copper and lead gaining ground.

Disappointment at the rise in International Tin Agreement buffer stock price range agreed last week, and a bigger than expected rise in LME warehouse stocks, led to sharp early falls in tin this week.

That trend was continued under the influence of a further easing in the nearby supply situation. It resulted in the three-month quotations rising above the cash price for the first time since April last year.

After falling at one stage to £6,350 a tonne, the lowest level for nearly a year, cash tin recovered £77.5 yesterday to end the week £367.5 down at £6,427.5 a tonne.

Zinc also registered a sizeable fall with the cash price ending £22 down at £298 a tonne. That was mainly due to leading European producers, Pennaroya and Preussag, decided to cut their official producer price by $65 to $780 a tonne. The companies said the reductions had been forced by weaker demand.

But copper and lead defied the downward pressure exerted by the strength of sterling.

## WEEKLY PRICE CHANGES

| | Latest prices per tonne unless stated | Ch'nge on week | Year ago | 1979 High | 1979 Low |
|---|---|---|---|---|---|
| METALS | | | | | |
| Aluminium | £710/50 | [illegible] | [illegible] | [illegible] | £710 |
| Free Market c.i.f. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Antimony | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Free Market 99.6% | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Copper Cash Wire Bars | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months Do. Do. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Cash Cathode | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months Do. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Gold per oz. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Lead Cash | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Nickel | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Free Market c.i.f. lb | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Platinum per oz. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Free Market per oz. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Quicksilver (76lbs) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Silver per oz | 409.10p | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months per oz. | 420.40p | [illegible] | [illegible] | [illegible] | [illegible] |
| Tin Cash | £6,427.5 | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Tungsten | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Wolfram (22.04 lb) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Zinc Cash | £298 | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Producers | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| GRAINS | | | | | |
| Barley Home Futures | £91.95 | [illegible] | £81.8 | [illegible] | [illegible] |
| Maize French No. 3 Yellow (Amer) | £105.5 | [illegible] | [illegible] | [illegible] | [illegible] |
| WHEAT | | | | | |
| No. 1 Red Spring | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| No. 2 Hard Winter | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Eng. Milling (new crop) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Cloves | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Pepper, white | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| black | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Coconut (Philippines) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Groundnut | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Linseed, Crude | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Palm Malayan | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Copra (Philippines) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Soyabeans (U.S.) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| OTHER COMMODITIES | | | | | |
| Cocoa Shipment | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Future Sept. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Coffee Futures Sept. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Cotton Index | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Des. Coconut | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Jute UA BWC grade | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Rubber kilo | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Sisal No. 3 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Sugar (Raw) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Tapioca No. 1 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Tea (quality) kilo | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| (plain) kilo | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Wool tops 64s Warp | [illegible] | [illegible] | [illegible] | [illegible] | 289p kilo |

* Nominal. † Unquoted. (g) Madagascar. (w) Sept./Oct. (x) July/Aug. (t) Sept. (y) Aug./Sept.

# MARKET REPORTS

## BASE METALS

COPPER—Firmer on balance but well below the day's highest levels on the London Metal Exchange. After rising to £839 in late inter-office trading on Thursday evening forward metal opened lower at £835 and eased further to £829 on the morning kerb following trade selling. A steady opening on Comex encouraged small buying in the afternoon which pushed forward metal up to £834 but the price eased to close the late kerb at £832 as U.S. selling was only partly met by the weakness of sterling. Turnover 16,850 tonnes.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Wirebars | | | | |
| Cash | 813-4 | +6.25 | 811.5-2.5 | +11 |
| 3 months | 832-3 | +7.75 | [illegible] | +8 |
| Settlem't | 814 | +6.5 | — | ...... |
| Cathodes | | | | |
| Cash | 793-5 | +8.5 | 791-3 | +11.5 |
| 3 months | 814.5 | +7 | 812-3 | +8.5 |
| Settlem't | 795 | +10 | — | ...... |
| U.S. Smt. | — | ...... | *84-87 | ...... |

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £814, three months £835, 34, 34.5, 34, 33, 32, 31.5, 32, 32.5. Cathodes, three months £815. Kerb: Wirebars, three months £831, 30.5, 31. Afternoon: Wirebars, three months £832, 32.5, 32, 32.5, 33, 30, 29, 28, 29, 29.5. Cathodes, three months £812. Kerb: Wirebars, three months £830, 31, 32, 33, 32.5, 32.

TIN—Higher. After easing to £6,420 on the early pre-market owing to a fall in Penang and forecasts of a substantial rise in stocks forward metal recovered to £6,510 before closing the late kerb at £6,490 following renewed covering against U.S. physical demand. Turnover 945 tonnes.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 6360-70 | +5 | 6420-55 | +77.5 |
| 3 months | 6450-70 | +55 | 6500-20 | +82.5 |
| Settlem't | 6370 | +5 | — | ...... |
| Standard | | | | |
| Cash | 6360-70 | +5 | 6420-35 | +77.5 |
| 3 months | 6450-70 | +47.5 | 6490-5 | +87.5 |
| Settlem't | 6370 | +5 | — | ...... |
| Straits E. | $1901 | —18 | — | ...... |
| New York | — | ...... | — | ...... |

Morning: Standard, cash £6,370, three months £6,450, 60, 50, 40, 35, 40. *Kerb: Standard,* three months £6,435, 40. Afternoon: Standard, three months £6,440, 45, 50, 70, 80, 90, 6,500, 10, 6,500, 6,495. Kerb: Standard, three months £6,500, 6,490.

LEAD—Lost further ground reflecting the absence of any fresh buying interest. Forward metal opened around the £522 level but subsequently fell away to £507 before recovering a shade to close the late kerb at £510. Turnover 9,700 tonnes.

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 524-5 | -8.5 | 513-5 | -12 |
| 3 months | 515-7 | -3 | 507-8 | -7 |
| S'ment | 525 | -3 | — | ...... |
| U.S. Spot | — | ...... | *58-62 | ...... |

Morning: Cash £525, 23, 24, 26, three months £520, 18, 17, 16, 15, 16. Kerb: Three months £515, 14, 13, 12, 11, 10. Afternoon: Three months £508, 07, 07.5, 08, 8.5, 9, 8.5, 8, 9, 8, 7.5. Kerb: three months £509, 8, 9, 10, 11.

ZINC—Held steady following forecasts of a sizeable fall in warehouse stocks. Forward material traded in a narrow range, opening at £307, moving ahead to £310, and then easing to close the late kerb at £309. Turnover 575 tonnes.

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 297.75-8 | +2.37 | 297.5-8.5 | +2.25 |
| 3 months | 308.5-2 | +1 | 309-.5 | +2 |
| S'ment | 298 | +2 | — | ...... |
| Primw'st | — | ...... | *39.5 | ...... |

Morning: Three months £308, 09. Kerb: Three months £308. Afternoon: Three months £309. Kerb: Three months £308.

ALUMINIUM—Marginally firmer in dull and routine trading with forward material finally quoted at £665 on the late kerb. Turnover 4,300 tonnes.

Morning: Three months £667. Kerb: Three months £665, 64. Afternoon: Three months £664, 65, 66. Kerb: Three months £665, 64, 65.

| Alumin'm | a.m. Official | + or — | p.m. Unofficial | †+ or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 670-2 | +3.75 | 670-1 | +5.5 |
| 3 months | 665-6 | +5.25 | 665-6 | +6 |

NICKEL—Gained ground despite forecasts of a moderate increase in stocks. Forward metal opened around £2,550 and traded quietly in the morning before moving ahead quickly to touch £2,680 in the afternoon owing to the downturn in sterling. However, this level brought out profit-taking which pared the price to £2,580 on the afternoon kerb. Turnover 270 tonnes.

| NICKEL | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| Spot | 2500-10 | +5 | 2560-80 | +84 |
| 3 months | 2545-50 | +12.5 | 2620-30 | +70 |

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £2,560, 50. Afternoon: Three months £2,570, 80, 2,600, 2,650, 2,680, 2,620. Kerb: Three months £2,600.

## SILVER

Silver was fixed 1.9p an ounce higher for spot delivery in the London bullion market yesterday at 409.1p. U.S. cent equivalents of the fixing levels were: spot 950.1c, up 1.6c; three-month 970.1c, up 0.5c; six-month 990.4c, up 0.8c; and 12-month 1,024.8c, up 0.3c. The metal opened at 408½-409½p (949-951c) and closed at 409½-410½p (948-950c).

| SILVER per troy oz. | Bullion fixing price | + or — | L.M.E. close | + or — |
|---|---|---|---|---|
| Spot | 409.10p | +1.8 | 410.55p | +5.4 |
| 3 months | 420.40p | +1.8 | 421.55p | +4.8 |
| 6 months | 431.40p | +2.1 | — | ...... |
| 12 months | 449.40p | +2.1 | — | ...... |

LME—Turnover 119 (102) lots of 10,000 ozs. Morning: Three months 420.8, 20.7, 20.6, 20.5, 20.7, 20.8. Kerbs: Three months 421, 20.6. Afternoon: Three month 421.5, 21, 21.5. Kerbs: Three months 421.5, 21.8, 22.

## COCOA

Cocoa futures remained barely steady throughout a featureless day reflecting currency considerations only, reported Gill and Duffus Limited.

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| July | 1315-1325 | +22.5 | 1300 |
| Sept | 1347-1348 | +15.5 | 1350-1317 |
| Dec | 1412-1414 | +17.0 | 1418-1396 |
| March | 1450-1463 | +14.0 | 1472-1450 |
| May | 1487-1489 | +18.0 | 1490-1450 |
| July | 1505-1520 | +18.5 | 1507-1488 |
| Sep | 1586-1520 | +8.5 | — |

Sales: 2,064 (2,15).

International Cocoa Organization (U.S. cents per pound): Daily price July 26: 141.25 (141.69). Indicator prices for July 27: 15-day average 146.55 (147.49); 22-day average 146.98 (150.69).

## COFFEE

ICS indicator prices for July 26 (U.S. cents per pound): Other Mild Arabicas 200.33 (201.67); Robustas ICA 1976 187.50 (188.50); ICA 1968 187.75 (188.75): Colombian Mild Arabicas 208.0 (same); Unwashed Arabicas 202.0 (203.0). Comp. daily ICA 1968 197.97 (198.68).

| COFFEE | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| July | 1636-38 | -58.0 | 1685-1636 |
| September | 1672-76 | -55.0 | 1740-1670 |
| November | 1704-05 | -54.0 | 1775-1695 |
| January | 1710-13 | -54.0 | 1754-1700 |
| March | 1680-85 | -52.5 | 1715-1685 |
| May | 1660-70 | -41.0 | [illegible] |
| July | 1642-60 | -45.0 | — |

Sales: 7,021 (6,144).

## GRAINS

| Mnth | WHEAT Yesterday's close | + or — | BARLEY Yesterday's close | + or — |
|---|---|---|---|---|
| Sept. | 98.40 | +0.10 | 87.80 | —0.10 |
| Nov. | 95.50 | +0.15 | 91.95 | —0.05 |
| Jan. | 100.70 | +0.15 | 96.15 | —0.15 |
| Mar. | 104.15 | +0.20 | 99.55 | —0.25 |
| May | 107.50 | +0.15 | 102.75 | —0.10 |

Business done—Wheat: Sept. 92.60-92.45, Nov. 96.75-96.40, Jan. 100.90-100.65, March 104.30-104.15, May 107.70-107.50. Sales 177. Barley: Sept. 88.20-87.80, Nov. 92.25-91.95, Jan. 96.50-96.25, March 100.00-99.60, May 103.05-102.80. Sales 237.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent Sept. 94.85, Oct. 96.60, Nov. 87.25, trans shipment East Coast. U.S. Hard Winter 13½ per cent Aug. 95.65, trans shipment east coast. EEC unquoted. Maize: U.S./French July 106.50, Aug. 108.00, trans shipment east coast. S. African White unquoted. S. African Yellow Aug. 82.00 nominal. Barley: English Feed fob Aug. 89.50, south coast Sept. unquoted, Oct./Dec. 94.00 east coast, Jan./March 100.10 east coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavia feed unquoted.

The market opened 10 higher and moved up to 40 higher on short-covering due to the continued lack of moisture but profit-takes moved in at *40-45 higher and with the main pressure* on barley values slipped back in late trading. Values on wheat closed between 10-20 higher and barley between 5-20 points lower, reported Acli.

## RUBBER

The London physical market opened slightly steadier. Little interest throughout the day, closing on an easier note. Lewis and Peat reported a Malaysian godown price of 295 (291) cents a kilo (buyer, September).

| No. 1 R.S.S. | Yesterd'ys Close | Previous Close | Business Done |
|---|---|---|---|
| Sept. | 58.50-58.90 | 58.55-58.70 | — |
| Oct. | 59.20-59.80 | 58.80-59.60 | — |
| Oct-Dec | 61.55-61.60 | 60.90-61.00 | 62.10-61.25 |
| Jan-Mar | 64.20-64.35 | 63.90-63.95 | 64.80-63.95 |
| Apr-Jne | 66.35-66.40 | 66.15-66.20 | 67.30-66.20 |
| Jly-Sept | 68.60-68.65 | 68.50-68.55 | 69.25-68.65 |
| Oct-Dec | 70.90-71.05 | 70.80-70.90 | — |
| Jan-Mar | 73.10-73.45 | 73.15-73.30 | — |
| Apr-Jne | 75.50-75.55 | 75.50-75.75 | 75.50-75.50 |

Sales: 318 (398) at 15 tonnes.

Physical closing prices (buyer) were: Spot 57.0p (same); Sept. 62.75p (same); Oct. 62.75p (63.0p).

## SOYABEAN MEAL

| | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| August | [illegible] | [illegible] | [illegible] |
| October | [illegible] | [illegible] | [illegible] |
| December | [illegible] | [illegible] | [illegible] |
| February | [illegible] | [illegible] | [illegible] |
| April | [illegible] | [illegible] | [illegible] |
| June | [illegible] | [illegible] | [illegible] |
| August | [illegible] | [illegible] | [illegible] |

Sales: 82 (97).

The London market opened £1 higher and remained in narrow trading range throughout the session, reported T. G. Roddicks. Some short covering was evident later in the day to steady prices.

## SUGAR

LONDON DAILY PRICE (raw sugar): £92.0 (£92.50) a tonne cif for July-Sept. shipments. White sugar daily price was £96.0 (same).

The market was very quiet during the morning. Later, however, New York prices moved sharply ahead and gains of some 175 points were recorded at the close when the market touched the highs of the day, reported C. Czarnikow.

| Sugar Pref. Comm. Con. | Yester-day's Close | Previous Close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Aug. | [illegible] | [illegible] | [illegible] |
| Oct. | [illegible] | [illegible] | [illegible] |
| Dec. | [illegible] | [illegible] | [illegible] |
| March | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] |
| Aug. | [illegible] | [illegible] | [illegible] |
| Oct. | [illegible] | [illegible] | [illegible] |

Sales: 2,599 (1,837) lots of 50 tonnes.

WHITE SUGAR—Close (in order buyer, seller, business, sales). Aug. 98.00, 99.00, 97.00-98.00, 144; Nov. 102.80, 102.85, 102.80-101.50, 53; [illegible] July 118.50, 121.0.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for July 26: Daily price 8.29 (8.16); 15-day average 8.57 (8.59).

## WOOL FUTURES

LONDON—Close (in order, buyer, seller only). July 219.0, 28.0; [illegible]

# AMERICAN MARKETS

NEW YORK, July 27.

CONTINUED GOOD precipitation in the Midwest has depressed maize down the limit or close to it. Wheat and soyabeans were also under major pressure in sympathy with maize. The livestock complex was also limit down or sharply lower on continued retailer reluctance to make forward commitments. Copper [illegible] highs on lack of commercial interest. Sugar has firmed up on speculative interest. Cocoa [illegible] commercial buying [illegible] decline in [illegible] gains. Coffee [illegible] but without any [illegible] ward reaction [illegible] because of profit taking by Commission Houses. Silver [illegible] on profit taking [illegible] mixed despite [illegible] psychology, Heinold reported.

Copper—Aug. 84.70 (86.20), [illegible] March 85.80, [illegible] Sept. 86.30, [illegible] March 86.60, [illegible]

Potatoes (round whites)—[illegible] (86.1), March [illegible] May 129.3.

¶Silver—Aug. 948.5 (962.5), [illegible] March 989.1, [illegible] Sept. 1,029.0, [illegible] 1,054.8, March [illegible] Handy and Harman bullion spot [illegible] (947.00).

Tin—687.00-[illegible] 703.00).

Coffee—Sept. [illegible] 189.70 (195.70), [illegible] 184.29, July [illegible] 183.00

†Wheat—Sept. [illegible] 430-432 (441½), [illegible] July 405, Sept. [illegible]

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $ Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

*Gold—Aug. 305.90 (306.60); Sept. 307.70 (308.50), [illegible] 317.30, Feb. [illegible] 333.40, Aug. [illegible] 348.60, Feb. [illegible]

§Wheat—SCWRS 13.5 per cent protein content [illegible] (232.10).

Lard—Chicago loose 25.75 (same). New York prime steam 27.25 (same).

Live Cattle—Aug. 60.30-60.27A (61.77-60.20); Oct. 59.65-59.82A (61.12-59.65); Dec. 61.67-61.30, Jan. 63.00A, Feb. 63.85-63.35A, Apr. 65.80A, June 67.50A, Aug. 68.60A, Oct. 66.20A, Dec. 63.00A. Sales 31,018.

Live Hogs—Aug. 35.10-35.02 (36.42-35.07), Oct. 31.65-31.55 (32.55-31.80), Dec. 32.55-32.75, Feb. 34.60-37.85, Apr. 34.80-34.50, June 38.75-38.90, July [illegible]

[illegible]

## INDICES

FINANCIAL TIMES

| July 27 | July 26 | M'nth ago | Year ago |
|---|---|---|---|
| 278.39 | 281.02 | 293.56 | 236.43 |

(Base: July 1, 1952=100)

MOODY'S

| July 26 | July 25 | M'nth ago | Year ago |
|---|---|---|---|
| 1084.0 | 1082.9 | 1087.4 | 916.3 |

(December 31, 1931=100)

DOW JONES

| Dow Jones | July 26 | July 27 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 404.05 | 408.43 | 420.31 | 352.59 |
| F'tur's | 408.00 | 412.92 | 432.38 | 337.82 |

(Average 1924-25-26=100)

REUTERS

| July 27 | July 26 | M'nth ago | Year ago |
|---|---|---|---|
| 1537.7 | 1558.4 | 1617.7 | 1424.0 |

(Base: September 18, 1931=100)

[illegible] 218.0, 33.0; Dec. 218.0, 38.0; March, May, July, Oct. and Dec. all 228.0, 38.0. Sales nil.

NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller, business, sales). [illegible] Sales nil.

SYDNEY GREASY—Close (in order buyer, seller, business, sales). [illegible] Sales 193.

GRIMSBY FISH—Supply moderate, demand good. Prices per stone at ship's side (unprocessed): [illegible] Saithe £2.80-£3.20.

# Norwich Airport liable for crash caused by gulls

NORWICH AIRPORT authorities were held liable by a High Court judge yesterday for a jet crash caused by seagulls.

Mr. Justice Tudor Evans said it was not until after the accident, in 1973, that a proper system of dealing with the long-standing problem of birds was instituted.

Before then the system was "haphazard and lax."

Judgment was given for Fred Olsen Airtransport, which claimed damages against Norwich City and Norfolk County Councils for loss of their aircraft.

The judge adjourned assessment of damages to a later hearing before a High Court Official Referee. The airline had claimed £500,000.

He held the airport authorities to blame for the forced landing of a twin-engined Falcon jet, which was written off.

The accident was caused by "a large, dense mass" of gulls on the runway.

The airport's "inadequate" inspection system and "haphazard and lax attitude" to bird-scaring were entirely to blame for the forced landing, said the judge.

It was only the two Norwegian pilots' "high skill and airmanship" which prevented injury. The plane's six passengers escaped unhurt. The pilot and co-pilot received minor injuries.

An engine had failed when a bird was sucked into it.

An adequate system was made doubly vital because of poor visibility from the control tower, said the judge.

Norwich Airport had made "belated" efforts to ensure that Government safety recommendations were carried out after the accident. The control tower had been replaced.

The air transport company was awarded costs.

# Shareholders protest over plantation pay

BY JAMES BARTHOLOMEW

SHAREHOLDERS protested yesterday at the alleged poor pay and conditions of native workers on James Finlay's Asian and African tea estates.

Behind the protest was the World Development Movement which made similar complaints at the Brooke Bond Liebig shareholders' meeting in December. James Finlay, is one of the biggest tea plantation companies in the world.

"In Bangladesh, where Finlay has special responsibilities as the largest employer, there come descriptions of conditions which are horrifying in their estimates of malnourished children and workers, the inadequacy of welfare provisions and so on," said Mr. Roger Jeffery, a medical sociologist at Edinburgh University.

Workers on the estates in Assam and Bangladesh were being paid only 20p a day and suffered from disease and malnutrition, it was claimed.

Wage rates were negotiated by the tea industry and local trade unions in the countries concerned after government supervision, replied Sir Colin Campbell, chairman of Finlay.

Mr. Jeffrey said later that he was "appalled" by Sir Colin's attitude. The World Development Movement would seek to bring trade unionists from Bangladesh and India to meet their UK counterparts to highlight the situation.

Finlay made a pre-tax profit of £12.1m in 1978 down from £15.8m the previous year because of the fall in tea prices.

Finlay employed more than 100,000 people in Bangladesh and the state worker received a basic wage of 22p per day, he said.

An attempt to vote down Finlays report and accounts was defeated by 32 votes to 36.

# Britten manuscripts accepted for tax

A COLLECTION of Benjamin Britten's musical manuscripts, covering the whole range of his works, has been accepted by the Government in lieu of capital transfer tax.

The manuscripts, valued at £190,000, have been allocated to the British Library, Treasury Minister Peter Rees said yesterday in a Commons written reply.

The library has made arrangements for their permanent loan to the Britten Pears Library at Aldeburgh, Suffolk.

Benjamin Britten who died in 1976 was generally regarded as the outstanding British composer of his generation.

Among the manuscripts being acquired for the nation are War Requiem, The Turn Of The Screw, A Midsummer Night's Dream and The Beggar's Opera, which are among Lord Britten's most celebrated compositions. Also included is the score of the 1936 Post Office film Night Mail.

The executors of Lord Britten's estate have provided that the number and value of the manuscripts exceed the outstanding liability for the tax and interest, so as to ensure that the collection is sufficiently extensive to be representative of many facets and periods of Britten's creative life.

The Britten-Pears Library, established by Lord Britten and his lifelong friend, the singer, Sir Peter Pears, is at the Red House, Aldeburgh, where the composer lived and worked for 20 years.

The library is now established as a charitable foundation and includes a working collection of books and music assembled by Lord Britten and Sir Peter Pears, together with other material associated with the composer and with the Aldeburgh Festival, which started in 1948.

The manuscripts will be available to scholars and students of Britten's music.

# NSB investment rate up to 12½ per cent

THE INTEREST rate on investment account deposits in the National Savings Bank is being raised by ½ per cent to a record 12½ per cent on September 1.

The new rate means that the net return to a basic rate taxpayer will be 8.75 per cent. This equals the new basic tax-paid interest rate building societies will be paying from Wednesday on money withdrawable on demand.

Building societies, however, will continue to have a slight edge for taxpayers as NSB investment account holders have to give one month's notice of withdrawals.

The higher rate is aimed mainly at enhancing the NSB's appeal to non-taxpayers following the clearing banks' increase in their main savers' rates to 11½ per cent last month.

# Three-month ban on Civil Service recruitment lifted

THE GOVERNMENT is to lift a three-month ban on Civil Service recruitment next month, Mr. Paul Channon, Minister of State for the Civil Service, announced in the Commons yesterday.

He said that the general ban on Civil Service recruitment would not be renewed at the end of the initial three-month period, on August 22, but that Government Departments would continue to restrict recruitment to the extent necessary to achieve minimum reductions required by revised cash limits.

The Government was also conducting a radical review with the object of making further savings in the size and cost of the Civil Service over the next few years.

# Scots jobless forecast too high, says Minister

A REPORT by the Fraser of Allander Institute in Glasgow, which forecast an extra 120,000 unemployed in Scotland over the next five years, was "unnecessarily gloomy," said Mr. George Younger, Scottish Secretary, at Kilmarnock, Ayrshire, yesterday.

"What they might not be putting enough weight on is the switch of resources which will take a year or two to get through. I don't expect we will be doing so badly as they predict in our term of office."

Mr. Younger, speaking after opening a foundry at Neptune Glenfield's engineering works, said Scottish unemployment would get worse before it got better, but the Government had made clear that employment was its top priority.

BRITISH FUNDS (665)

COMMONWEALTH GOVTS. (32)

REGISTERED AND INSCRIBED STOCKS

FREE OF STAMP DUTY

COMMONWEALTH CPNS. (—)

FOREIGN STOCKS (2)

COUPONS PAYABLE IN LONDON

FOREIGN CORPNS. (1)

BANKS (150)

BREWERIES (116)

INTL. BANK (1)

FREE OF STAMP DUTY

CORPORATIONS (36)

FREE OF STAMP DUTY

FREE OF STAMP DUTY

SHORT DATED BONDS

10¼pc (9.4.80) 98¼ (24/7)
11¼pc (30/4/80) 98¾
12½pc (30/7/80) 100 (25/7)

PUBLIC BOARDS (5)

FREE OF STAMP DUTY

Agricultural Mort. Cpn. 4½pcDb. 1961-69 62½ (23/7). 5pcDb. 1959-89 65¼ 5 (25/7). Do. 1979-83 78¾ (25/7). 6pcDb. 70 (23/7). 6½pcDb. 66 ½ (23/7). 9pc Db. 90½ (23/7). 9¼pcDb. 1980-85 88¼ (25/7). 9½pcDb. 1981-83 90¼ (25/7). 9½pcDb. 87¼ (24/7)
Commonwealth Devpt. Fin. 7¼pcDb. 72 (24/7)
Finance for Industry 13pcLn. 100 99½ (23/7). 14pcLn. 103¼ (24/7)

COMMERCIAL (2,393)

A—B

Alpine Hldgs. (5p) 122 1 (25/7)
Alpine Soft Drinks (10p) 148 (25/7)
Amalg. Metal 300 (24/7)
Amalg. Power Engg. (25p) 89 (25/7)
Anchor Chemical (25p) 85 (20/7)
Anderson Strathclyde (25p) 61½ ½. 7¼pcLn. 67
Anderson's Rubber (20p) 52 4
Anglia Television A (25p) 78 (23/7)
Appleyard Group of Cos. (25p) 79 (25/7)
Aquascutum A (5p) 41 (20/7)
Arenson (A.) (10p) 120 (25/7)
Arlen Electrical (25p) 79½ 80 (25/7)
Arlington Motor Hldgs. (25p) 105 (23/7)
Armitage Shanks Group (25p) 77½ 90 8 7½
Armstrong Equipment (10p) 58 70
Arncliffe Hldgs. (10p) 48 (24/7)
Arrow Chemicals Hldgs. (25p) 71 69

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

## Forminster expands to £1.58m

In line with the midway forecast of increased full-year profits, Forminster, maker of ladies and children's outerwear clothing, reports taxable surplus ahead from £1,257,642 to £1,576,341 for the year ended April 30, 1979. The first-half result had improved from £563,971 to £641,232.

Turnover for the year was up by £2.55m to £14.64m. After a tax charge of £826,398 (£669,995) net profits emerged at £749,943 compared with £587,647.

From earnings per 10p share of 17.39p (13.41p), the dividend total is effectively increased from 2.78814p to 3.161p net, with a 1.62p final.

## Derby Trust steady so far

A swing from unfranked to franked income results in a marginal fall in pre-tax revenue from £350,624 to £340,740 for Derby Trust in the first half of 1979.

However this decline was more than offset by lower tax of £128,369, against £141,266, and net profit came out slightly up from £209,358 to £212,371.

Halftime net asset value per capital share was better at 409½p compared with 382½p at the end of last year.

The net interim dividend on income shares is 7.192p (7.09p). The directors say the increase in total dividend should be in line with that seen in recent years. Last time the total was 14.789p (13.429p) on record revenue of £0.71m.

## King of Norway for Isle of Man

THE ISLE OF MAN will be visited by King Olav of Norway next week as it celebrates the 1,000 years of Tynwald, its parliament, which was formed by Norsemen.

The King will sail into Douglas Bay on Thursday in the Royal yacht Norge, greeted by a 21-gun salute by HMS Cleopatra.

His programme includes engagements at Peel, St. John's, Port St. Mary, Douglas, Castletown, and Cregneash. He leaves from Port St. Mary on Tuesday, August 7.

## SINGAPORE

| July 27 | $ | July 27 | $ |
|---|---|---|---|
| Industrials | | Straits Trdg | 6.75 |
| | | Times Pub. | |
| Boust'ad Co | 2.05 | Berhad | 2.95 |
| Boust'ad Bd | 3.24 | U. Engin'ers | 1.60 |
| Bovis | 0.46 | U. Ov's Bk. | 3.00 |
| Dunlop | ‡4.46 | Wearnes | 2.36 |
| Esso | 4.30 | Tractors | 6.05 |
| Fraser Nave | 5.55 | Chemical | 5.25 |
| Haw Par. | 1.48 | Wilm. Jacks | 1.62 |
| Hume Ind. | 2.03 | Rubbers | |
| Inchcape | 1.90 | Btu.Lintang | 2.69 |
| Malay Brew | — | Dunlop Est. | 4.06 |
| Malay Cemt | ‡3.26xd | Kempas | 5.15 |
| Met.BxSing | 2.90 | Tins | |
| Ov'sChinBk | 6.90 | Austral.Am. | 5.70 |
| Pan El'ctric | †1.36xd | Berjuntai | 8.05 |
| Robins'n Co | ‡2.30 | Kampar | 3.10xd |
| Rothman | 4.42 | Kuchai | — |
| Shell | 2.88 | Lower | |
| Sime Darby | 3.24 | Perak | — |
| Cold St'r'ge | 2.25 | PetalingTin | — |
| StraitsSte'm | 2.40 | SupremeCp | — |
| Straits Tms | †5.95 | Tongkah | — |
| 1975 Ltd. | | Har. | |

† Bid. ‡ Seller.

# Stock Exchange dealings

| | |
|---|---|
| Thursday, July 26 | 16,308 |
| Wednesday, July 25 | 15,667 |
| Tuesday, July 24 | 15,859 |
| Monday, July 23 | 15,500 |
| Friday, July 20 | 15,183 |
| Thursday, July 19 | 15,859 |

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

Assoc. Biscuit Mnfrs. (20p) 70. 3.85pf. 41⊕
Assoc. Brit. Engg. (12½p) 7 (23/7)
Assctd. British Foods (5p) 77⊕ 8 7. 6½pc Db. 74½. 7¼pcDb. [illegible] ½ (24/7). 7½pcUns.Ln. 31⊕
Assctd. Communications Cpn. A (25p) [illegible]
Assctd. Dairies Grp. (25p) 263⊕ 60 3 5
Assctd. Electrical Inds 6pcDb. 80¼
Assctd. Engng. (25p) 81⊕. 8pcUns.Ln. 68 (24/7)
Assctd. Fisheries (25p) 44 5. 8¼pcUns. Ln. 58½ (23/7)
Assctd. Leisure (5p) 97. 7½pcUns.Ln. 62½ (20/7)

Chubb (20p) 127⊕ 60 5
Clay (R.) (25p) 95 (25/7)
Clayton Son Hldgs. (50p) 79⊕
Clifford Snell (5p) 25 (25/7)
Clifford's Dairies (25p) 84 (23/7). A (25p) 74
Coalite Group (25p) 90 89
Coates Bros. (25p) 78 (23/7). A (25p) 72 (25/7)
Coats Patons (25p) 58½⊕ 7½⊕ 8½ 8⊕ 7½ 7 6. 6¾pcUnsecd.Ln. 53½ (25/7). 7¾pc Unsecd.Ln. 64¼ 4 (24/7)
Cohen (A.) A (20p) 260
Cole (R. H.) (25p) 130
Comben Grp. (10p) 34 (25/7)

Greenfields Leisure (10p) 73. 10pcPf. 103½
Green's Economiser (25p) 107
Gripperrods Hldgs. (10p) 125⊕ 8
Group Lotus Car (10p) 36 (25/7)
Guest Keen Nettlefolds 277⊕ 1 4 8 6 3 5. 8¼pcLn. 81 80½
Guest Keen Nettlefolds (U.K.) 7½pcDb. 70 (24/7). 10½pcDb. 86⊕
H.A.T. (10p) 30⊕
H.T.V. (25p) 140
Hagen Carrier (5p) 106½ (20/7)
Hall Ham River 5¼pcDb. 72½ (20/7)
Hall Engin. (Hldgs.) (50p) 131 (24/7). 7¼pcLn. 94 (25/7)
Hall (Matthew) (25p) 195 2
Halma (10p) 70
Hampson Indust. (5p) 10¼
Hanger Inv. (10p) 66 (23/7)
Hanson Tst. (25p) 104 3. New (25p) 82⊕ 2 3. 6½pcLn. 67
Hardy A (Rest. Vtg.) (25p) 324 (25/7)
Hargreaves Grp. (20p) 51 (23/7). New (20p) 1½⊕ 2⊕ 1
Harris Sheldon Grp. (25p) 42⊕
Harris (Philip) (Hldgs.) (20p) 115
Harris Queensway Grp. (20p) 258
Harrison (T. C.) (25p) 69 (24/7)
Harrisons Crosfield £6 ⅞⊕
Hartwells Grp. (25p) 68 (24/7)
Hawker Siddeley Grp. (25p) 184⊕ 30 4 3 2
Hawley Leisure (5p) 36 (23/7)
Hawthorn (R. W.) Leslie (50p) 77 (23/7)
Hawtin (5p) 13¼⊕ 13 ½ ¼
Hazlewoods (Proprietary) (20p) 79 (24/7)
Headlam Sims Coggins (5p) 60 (25/7)
Heal Sons Hldgs. £18.90 19.00 (23/7)
Helene of London (10p) 27 6¼ (20/7)
Helical Bar (25p) 23½ (20/7)
Henderson (P. C.) Grp. (10p) 126 (24/7)
Henderson-Kenton (20p) 110 (23/7)
Henlys (20p) 104⊕
Hensher (Furniture Trades) (10p) 59 (23/7). A N.V. (10p) 50½ 49½ (25/7)
Hepworth Ceramic Hldgs. (25p) 104½⊕ 5⊕ 4½ 6 5
Hepworth (J.) (10p) 77 (25/7). 10pcBPf. (50p) 35½ (23/7)
Herman Smith (10p) 12 (20/7)
Hestair (25p) 38⊕ 9⊕ 40
Hewden Stuart Plant (10p) 52¼⊕ ½⊕ 3. New (10p) 53 (20/7)
Hield Bros. (5p) 8¼. 4.5pcPf. 44½
Higgs Hill (25p) 68
Highams (25p) 66½ ½ (20/7)
Highgate Job Grp. (50p) 45⊕
Hill Smith (25p) 45 (24/7)
Hill (Charles) Bristol 83 (20/7)
Hillards (10p) 329 (25/7)
Hiltons Footwear (20p) 89½ 8½
Hirst Mallinson (20p) 41
Hoechst Finance 10pcLn. Rts. 106
Hoffnung (S.) (25p) 96⊕
Holden (Arthur) Sons (25p) 87 (23/7)
Hollas Group (5p) 75½⊕ 5⊕
Hollis Bros. ESA (25p) 64½ 4 (24/7)
Holt Lloyd Intnl. (10p) 203⊕ 2. New (10p) 203
Home Charm (10p) 106
Homfray (25p) 20
Hoover (25p) 155. A (25p) 156
Horizon Travel (5p) 204 (25/7)

Norfolk Capital Group (5p) 32
Normand Electrical Hldgs. (20p) 58 (20/7)
Norrington (Henry) Son (5p) 13⊕
Norsk Hydro (NKr80) 43½ (20/7)
North (James) Sons 7½pcLn. 1987-92 73
North (M. F.) (10p) 35
Nthrn. Engineering Inds. (25p) 63½⊕ 2½ 3. 8.25pcPf. 93½. 8½pcLn. 72
Nthrn. Foods (25p) 110. 7pcDb. 79½⊕
Norton (W. E.) (Hldgs.) (5p) 24 (24/7)
Norvic Secs. (10p) 19 (25/7)
Norwest Holst (25p) 113 (25/7)
Nottingham Brick (50p) 343 (24/7)
Nottingham Mfg. (25p) 131 (24/7). 6½pc Ln. 88 8½ ¾ (24/7)
Nova (Jersey) Knit (20p) 40
Nurdin Peacock (10p) 114 13
Nu-Swift Inds. (5p) 26
Ocean Wilsons (Hldgs.) (20p) 73 (25/7)
Oce-Van Der Grinten Finance 8pcLn. 91 90½
Office Electronic Machines (25p) 153
Orrex Grp. (20p) 416⊕ 14
Oliver (Geo.) (Footwear) (25p) 86 (25/7)
Olives Paper Mill (20p) 25½ (25/7)
Ovenstone Invs. (R0.12½) 11½ (25/7)
Oxley Printing Grp. (25p) 64
PMA Hldgs. (25p) 116. New (25p) 118 (25/7)
Paine (P.) (10p) 28 (25/7)
Parker Knoll A (25p) 380 8
Parker Timber Grp. (25p) 188 (24/7)
Parkland Textile (Hldgs.) (25p) 88 (23/7). A (25p) 87 (24/7)
Paterson Zochonis (10p) 150 (20/7). A Non-vtg. (10p) 150 (24/7)
Pauls Whites (25p) 138⊕ 70 7
Pawson (W. L.) Son (5p) 64⊕
Pearson Longman (25p) 231 26 (24/7)
Pearson (S.) Son (25p) 250⊕ 45 8 7
Pegler-Hattersley (25p) 139⊕
Pennine Commercial Hldgs. (10p) 11 (25/7)
Pentland Inds. (10p) 26½ (24/7)
Pentos (10p) 85⊕ A. 15pcLn. 265 (23/7)
Perry (Harold) Motors (25p) 128 (23/7)
Petbow Hldgs. (10p) 61 (24/7)
Peters Stores (10p) 63
Phicom (10p) 38⊕ 7
Philips Lamps (Fl. 10) ¢525 15
Phoenix Timber (25p) 128 (24/7)
Photo-Me Inter. (50p) 335 30 40
Pickles (10) 15 (23/7). Do. A NV 11½ 10½ ½
Pifco A (20p) 86 (25/7)
Pilkington Bros. 317⊕ 17
Pirelli 7pc2ndDb. 69
Pitney Bowes 5¼pcLn. 86⊕ 5½
Plaxton's (25p) 151 (23/7)
Pleasurama (5p) 154⊕ 2
Plessey (50p) 109⊕ 8 ½. 7¼pcDb. 62¼ (24/7)
Plysu (10p) 158 (23/7)
Polymark Inter. (10p) 73
Portals (25p) 248. 8pcLn. 163
Portsmouth Sunderland Newspapers (25p) 100⊕
Porvair (25p) 12
Powell Duffryn (50p) 174⊕ 80 6⊕
Pratt 8pcLn. 79 ½ (23/7)

Baker (John) (Insulation) Pfd. 193
Burrough (James) 148
Clyde Petroleum 198
Commercial Bank of Wales 85
Deltenne 12½
Edinburgh Secs. 76
Grainger Trust 449½ 8
GRA Prop. Trust 18¼ ½ ¼ 18 17¾ ½
Heavitree Brewery A 800 785
IAS Cargo Airlines 125. 6pcCnv.Red.Pf. 171
Kellock 95. Cnv (1st Ser.) 93
Manchester Utd. F.C. 215 200
Mining Inv. Corp. 109 8 7
New Court Natural Resources 35 2
Oldham Estates 99
Queen St. Warehouse 5

### JULY 25

Applied Computer Techniques 198
Aran Energy 145 4 2 1 40 38 5
Associated Tea Estates of Ceylon 31 30
Baker (John) (Insulation) Pfd. 198
Birmingham City F.C. 950 900
Cambridge Inst. 2
Celtic Basin Oil Expl. 45 40
Channel Hotels and Props. 20 19
Clairmace 21½
Clyde Petroleum 202 200 198
Delight Inds. New (I.p.) 68½
Dimbula Valley (Ceylon) Tea 155
Edinburgh Secs. 77½ 77
Eldridge Pope A 315
GRA Prop. Trust 18½ ¼
Heavitree Brewery 790. A 790
IAS Cargo Airlines 125 3
Johnson and Barnes 7½pcPf. 25 4
Kellock 98 7
Maddock 6. 7½pcSub.Cnv. £35
Manchester Utd. F.C. 210 5
Manordale Group 30
Mining Inv. Corp. 110 7
New Court Natural Resources 35 30 ¼ 30
Norton Villiers Triumph 2½
Oldham Estates 97
P.M.P.A. Ins. 42
Twinlock 30
Whitely Bay Ents. 126 4

### JULY 24

Applied Computer Techniques 195 4
Aran Energy 150 145 40 39 30
Associated Tea Estates of Ceylon 29
Baker (John) (Insulation) Pfd. 200 198 7
Cambridge Inst. (1p) 2 ½ 2. (10p) 3½
Camra (Real Ale) Invs. 125 20
Channel Hotels and Props. 20
Clairmace 21½
Clyde Petroleum 212 2 200
Commercial Bank of Wales 85
Darling Fund 90
Dimbula Valley (Ceylon) Tea 145
Edinburgh Secs. 76½
Eldridge Pope A 310
Gale (George) 515 12
GRA Prop. Trust 19 18½
IAS Cargo Airlines 6pcCnv.Red.Pf. 173
Jennings Bros. 100

Kellock 95 4 3. Cnv. (1st Ser.) 93
Maddock 7
Minch Norton 175
Mining Inv. Corp. 104 10 8½ 5
N.M.W. 252 50
New Court Natural Resources 35 4 2
Nedeem Tea Co. 5pcPf. 1
Oldham Estates 98
P.M.P.A. 43 2
Queen St. Warehouse 5½
Rangers F.C. 800
Star Offshore Services 55
Tea Corp. 25
Twinlock 31
Urogate Invs. 168
Wessex Water Auth. 5pcRed. 1982 £80 5pc 1982-87 £49

### JULY 23

Applied Computer Techniques 194
Aran Energy 160 57 5 50 42 125 2 20 19 18 15 5 100 95
Associated Hotels 150
Associated Tea Estates of Ceylon 28½
Booth (Charles) 24
Cambridge Inst. 3 ½ 2½ 2¼
Camra (Real Ale) Invs. 123 2 1 18 15
Carlton Real Estates 27
Channel Hotels and Props. 20
Clairmace 22
Clyde Petroleum 204 200 198 6
Commercial Bank of Wales 83 5
Dimbula Valley (Ceylon) Tea 140
Dollar Land 24
Ecclesiastical Ins. 2 6pc1stPf. 25½ 5
Granville Inv. Trust 450
GRA Prop. Trust 18½ ½
IAS Cargo Airlines 121 20. 6pcCnv.Red. Pf. 173 70
Jennings Bros. 100
Kellock 95 90
Kenmare Oil Expl. 25 20
Le Riches Stores 220
Maddock 9. 7½pcUns.Cnv. Stk. £36
Manchester Utd. F.C. 205 200
Mining Inv. Corp. 110 8 100 5
New Court National Resources 35
Norton Villiers Triumph 2½
Oldham Brewery 82
P.M.P.A. Ins. 44 2
Petroleum Royalties of Ireland 190
Queen St. Warehouse 5½
Tea Corp. 25
Twinlock 30
United Rubber and Coffee Plantations (1932) 2
Wessex Water Auth. 5pc 1982-87 £46
Winchester London Trust 6

### JULY 20

All England Lawn Tennis Ground £50Dbs. 1976-80 £1200
Applied Computer Techniques 200
Aran Energy 90 85 80 140 25 3
Arden and Cobden Hotels 6½pcPf. 16
Associated Tea Estates of Ceylon 29 8½ 7
Booth (Charles) 25
Buenos Ayres Lacroze Tramways 3pcCons.

IncomeDb. £02½
Burrough (James) 146
Cambridge Inst. 2 ½ 2
Carlton Real Estates 27
Carr's Milling Inds. 7½pcLn. 2001-5 £44
Castletown Brewery 305
Channel Hotels and Prop. 18
Clyde Petroleum 208 7 6 200 198
Computer and Systems Engineering 180 75
Delight Inds. 69
Dollar Land 20
Edinburgh Secs. 79½ 7½
Eldridge Pope A 310
Galaha Ceylon Tea Estates 72
GRA Prop. Trust 19 18½ ½ 10
IAS Cargo Airlines 121
McGeorge and Heppenstall 6pcPf. 450 40
Maddock 9 8 7. 7½pcSub.Cnv. £37 5
Manchester Utd. F.C. 200
Mining Inv. Corp. 110 8
New Court Natural Resources 35
Oldham Brewery 78 80
Oldham Estates 96 5
Plumpton Racecourse 67 5
Tea Corp. 23
Twinlock 31. 12pcLn. 1976-99 £78 77

## RULE 163 (2) (a)

**Applications granted for specific bargains in securities not listed on any Stock Exchange.**

### JULY 26

All England Lawn Tennis Ground £50Dbs. 1976-80 £1175 25
Aran Energy 140 38 7 5 30
Associated Tea Estates of Ceylon 32

### JULY 20

American Tel. & Tel. £26¾ 6
Bougainville Copper 102
B.P. Canada £10½
C.S.R. New 130
Canadian Inds. 30
Endeavour Resources 13
Kulim Malaysia 44
Oakbridge 80 79
Pacific Copper 73 1
Pancontinetal 752
Wheelock Marden A 31½

## RULE 163 (1) (e)

**Bargains marked for approved companies engaged solely in mineral exploration.**

### JULY 26

Candecca Resources 77
CCP North Sea Associates £16.90
Gas and Oil Acreage 186 5½

### JULY 25

Candecca Resources 75 4
Siebens 230 24

### JULY 24

CCP North Sea Assocd. £17½
Gas and Oil Acreage 195
Siebens 228 4
Viking Oil 245

### JULY 23

Siebens 220

### JULY 20

Candecca Resources 72
Cluff Oil 510 500
Cluff Oil Cnv. A and Inc. Wts. £4½
Siebens 230
Viking Oil 245

*(By permission of the Stock Exchange Council)*

# LOCAL AUTHORITY BOND TABLE

| Authority (telephone number in parentheses) | Annual gross interest | Interest payable | Minimum sum | Life of bond |
|---|---|---|---|---|
| | % | | £ | Year |
| Barnsley (0226 203232) | 12 | ½-year | 250 | 3-5 |
| Barnsley (0226 203232) | 12½ | ½-year | 250 | 6-10 |
| Redbridge (01-478 3020) | 11½ | ½-year | 200 | 4-5 |
| Redbridge (01-478 3020) | 12½ | ½-year | 200 | 6-7 |

# BUILDING SOCIETY RATES

| | Deposit rate % | Share accounts % | Sub'pn shares % | *Term shares % |
|---|---|---|---|---|
| Abbey National‡ | 8.50 | 8.75 | 10.00 | 10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs. |
| Aid to Thrift‡ | 9.25 | 9.80 | — | — |
| Alliance | 7.75 | 8.00 | 9.25 | 9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs. |
| Anglia Hastings and Thanet‡ | 8.50 | 8.75 | 10.00 | 10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs. |
| Bradford and Bingley‡ | 8.50 | 8.75 | 10.00 | 10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs. |
| Bridgwater‡ | 8.50 | 8.75 | 10.25 | 10.25 4 yrs., 9.85 2½ yrs., 9.50 2 yrs. |
| Bristol and West‡ | 8.50 | 8.75 | 10.00 | — |
| Bristol Economic‡ | 8.50 | 8.75 | 10.00 | 9.00 3 months' notice |
| Britannia‡ | 8.25 | 8.75 | 10.00 | 10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs. |
| Burnley‡ | 8.50 | 8.75 | 10.00 | 10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs. |
| Cardiff‡ | 8.50 | 9.25 | 10.25 | — |
| Catholic‡ | 8.20 | ●8.90 | 9.80 | ● 9.10 over £5,000 |
| Chelsea‡ | 8.50 | 8.75 | 10.00 | 9.50 6 months' notice, £500 minimum |
| Cheltenham and Gloucester‡ | 8.50 | 8.75 | 10.00 | 10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs. |
| Citizens Regency‡ | 8.50 | 9.10 | 10.30 | 10.60 4 yrs., 10.10 3 yrs., 9.85 2 yrs. |
| City of London (The)‡ | 8.80 | 9.10 | 10.10 | 10.15 3 yr. income share withdrawable |
| Coventry Economic‡ | 8.50 | 8.75 | 10.00 | 10.25 4 yrs., 9.75 3 yr., 9.25 3 mth. not. |
| Coventry Provident‡ | 8.50 | 8.75 | 10.75 | 10.25 4 yrs., 10.00 3 yrs., 9.50 2 yrs. |
| Derbyshire‡ | 8.50 | 8.75 | 10.00 | 9.35 3 months' notice |
| Ealing and Acton | 7.75 | 8.50 | — | 9.15 2 yrs., £2,000 minimum sum |
| Gateway‡ | 8.50 | 8.75 | 10.00 | 10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs. |
| Greenwich | 6.45 | 8.10 | 9.25 | 9.60 4 yrs., 9.10 3 yrs., 8.25 2 yrs. |
| Guardian | 7.75 | 8.25 | — | 9.25 3 mths., 9.60 6 mths., £1,000 min. |
| Halifax | 7.75 | 8.00 | 9.25 | 9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs. |
| Heart of England | 7.75 | 8.00 | 9.25 | 9.50 4 yrs., 8.50 3 months' notice |
| Hearts of Oak and Enfield | 7.75 | 8.25 | 9.75 | 9.50 4 years, 9.00 2 years |
| Hendon‡ | 8.75 | 9.25 | — | 9.75 6 months, minimum £2,000 |
| Huddersfield and Bradford‡ | 8.50 | 8.75 | 10.00 | 10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs. |
| Lambeth | 7.75 | 8.30 | 9.75 | 9.00 3 months' notice, £250-£5,000 |
| Leamington Spa | 7.85 | 8.10 | ■10.97 | 8.85 2 years, ■ 3 years |
| Leeds Permanent | 7.75 | 8.00 | 9.25 | 9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs. |
| Leicester‡ | 8.50 | 8.75 | 10.00 | 10.75 5 years, 9.25 2 years |
| Liverpool | 7.75 | 8.00 | 9.45 | 9.60 4/5 yrs., 8.60 2 yrs., min. £1,000 |
| London Goldhawk‡ | 8.50 | †9.25 | †10.50 | †10.00 2 years, †9.75 1 year |
| Melton Mowbray‡ | 8.60 | 8.85 | 10.00 | 9.60 2 years |
| Mornington‡ | 9.00 | 9.50 | — | — |
| National Counties‡ | 8.75 | 9.05 | 10.05 | 10.15 6 mths., 9.50 3 mths., min. £1,000 |
| Nationwide‡ | 8.50 | 8.75 | 10.00 | 10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs. |
| Newcastle Permanent | 7.75 | 8.00 | 9.30 | 9.50 4 yrs., 9.30 3 yrs., 9.00 2 yrs. |
| New Cross‡ | 9.25 | 9.50 | — | — |
| Northern Rock | 7.75 | 8.00 | 9.25 | 9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs. |
| Norwich | 7.75 | 8.00 | 9.50 | 9.00 3 yrs., 8.75 2 yrs., min. £500 |
| Paddington‡ | 8.25 | 9.25 | 10.85 | 10.00 6 months, 9.75 3 months |
| Peckham Mutual | 8.00 | 8.75 | — | — |
| Portman | 7.75 | 8.00 | 9.25 | 9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs. |
| Principality‡ | 8.50 | 8.75 | 10.00 | 10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs. |
| Property Owners | 7.75 | 8.50 | 9.75 | 9.00 3 months' notice |
| Provincial | 7.75 | 8.00 | 9.25 | 9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs. |
| Skipton | 7.75 | 8.00 | 9.25 | 9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs. |
| Sussex Mutual | 7.75 | 8.35 | 10.00 | 9.30 3 yrs., 9.00 2 yrs., 8.75 1 yr. |
| Town and Country‡ | 8.50 | 8.75 | 10.00 | 10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs. |
| Walthamstow‡ | 8.50 | 8.85 | 9.95 | 10.85 5 yrs., 9.85 6 months, min. £500 |
| Woolwich‡ | 8.50 | 8.75 | 10.00 | 10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs. |

‡ Effective from August 1, 1979.
* Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

# CURRENCIES, MONEY and GOLD

## UK MONEY MARKET

**Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)**

The Treasury bill rate fell by 0.0134 per cent at yesterday's tender to 13.3459 per cent, and *the minimum accepted bid was* £96.67 against £96.66½ previously. Bids at that level were met as to about 85 per cent and above in full. The £300m bills on offer attracted bids of £775.18m, and all bills offered were allotted. Next week a further £300m will be on offer.

The authorities gave a small amount of assistance in the London money market yesterday to relieve a slight shortage of day to day credit. They bought a small amount of Treasury bills and a small number of corpora*tion bills, all direct from the* discount houses. The latter were paying up to 14 per cent for secured call loans, with closing balances taken down to 13½ p.c.

In the interbank market, weekend loans opened at 14-14¼ per cent and traded between 13½ per cent and 14¼ per cent before closing at 12-13 per cent.

## EXCHANGES AND BULLION

The dollar showed a firmer tendency in early trading but came back at the close to show hardly any change from Thursday. The Federal Reserve Bank may have taken advantage of the *subdued conditions to try and* bolster the U.S. unit, but market sources suggested that the dollar was likely to react on how well or badly the trade figures are received. Against the D-mark it touched DM 1.8260 earlier on, but slipped away to close at DM 1.8195, hardly changed from Thursday's rate of DM 1.8190.

Sterling suffered as profit taking eroded part of its recent sharp gains. Its trade weighted index fell to 73.5 from 74.0, having stood at 73.9 in the morning and 73.7 at noon. Against the *dollar it opened at $2.3290 but* quickly fell to $2.3210. Before lunch however it had recovered to $2.3225. A continued softish undertone during the afternoon saw the rate fall to $2.3100, but it recovered nearly half a cent to close at $2.3140-2.3150, a fall of 1½ cents from Thursday. Gold lost $½ an ounce

## OTHER MARKETS

| July 27 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | 5140-5160 | 1357-1365 | Austria | 30½-31½ |
| Australia Dollar | 2.0415-2.0465 | 0.8825-0.8840 | Belgium | 69.5-70.5 |
| Brazil Cruzeiro | 59.92-60.92 | 25.90-26.35 | Denmark | 12.00-12.15 |
| Finland Markka | 8.83-8.85 | 3.8165-3.8258 | France | 9.75-9.85 |
| Greek Drachma | 84.181-86.186 | 36.40-37.25 | Germany | 4.15-4.25 |
| Hong Kong Dollar | 11.98¾-12 | 5.1760-5.1790 | Italy | 1,850-1,900 |
| Iran Rial | 166.90-175.90 | 72¼-75¼ | Japan | 498-508 |
| Kuwait Dinar (KD) | 0.631-0.641 | 0.2742-0.2748 | Netherlands | 4.55-4.65 |
| Luxembourg Frc. | 67.30-67.40 | 29.10-29.12 | Norway | 11.58-11.70 |
| Malaysia Dollar | 4.96-4.97½ | 2.1465-2.1495 | Portugal | 109-115 |
| New Zealand Dlr. | 2.2510-2.2570 | 0.9730-0.9755 | Spain | 150½-154½ |
| Saudi Arab. Riyal | 7.75-7.85 | 3.3620-3.3645 | Switzerland | 3.75-3.85 |
| Singapore Dollar | 4.96-4.97½ | 2.1495-2.1505 | United States | 2.3150-2.3275 |
| Sth. African Rand | 1.9375-1.9475 | 0.8375-0.8415 | Yugoslavia | 44-47 |

Rate given for Argentina is free rate.

## THE POUND SPOT AND FORWARD

| July 27 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 2.3100-2.3300 | 2.3140-2.3150 | 0.53-0.43c pm | 2.49 | 1.73-1.63 pm | 2.90 |
| Canada | 2.7030-2.7190 | 2.7055-2.7085 | 0.65-0.55c pm | 2.66 | 1.70-1.60 pm | 2.44 |
| Nethlnd. | 4.62-4.66½ | 4.62½-4.63½ | 2½-1½c pm | 5.18 | 5¾-4¾ pm | [illegible] |
| Belgium | 67.25-67.90 | 67.30-67.40 | [illegible]c pm | 1.78 | 40-30 pm | 2.08 |
| Denmark | 12.08-12.16 | 12.08½-12.09½ | ½ore pm-1½ dis | -0.50 | 4-6 dis | -1.66 |
| Ireland | 1.1165-1.1240 | 1.1170-1.1180 | [illegible]-25p dis | -3.22 | 70-80 dis | -2.68 |
| W. Ger. | 4.20½-4.24½ | 4.20¾-4.21¾ | 3½-2½pf pm | 8.82 | 8½-7½ pm | 7.48 |
| Portugal | 112.10-113.10 | 112.15-112.45 | [illegible]-100c dis | -7.48 | 120-220 dis | -6.06 |
| Spain | 163.05-153.75 | 153.10-153.20 | [illegible]-330c dis | -23.90 | 690-720dis | -17.50 |
| Italy | 1,889-1,898 | 1,889-1,890 | [illegible] lira dis | -3.49 | 12½-14½dis | -2.88 |
| Norway | 11.60-11.65 | 11.60½-11.61½ | 6-4ore pm | 5.17 | 14½-12½ pm | 4.65 |
| France | 9.80-9.87 | 9.80½-9.81½ | [illegible]c pm | 2.14 | 4½-3½ pm | 1.63 |
| Sweden | [illegible]-9.74 | 9.68½-9.69½ | 1½ore pm-½ dis | 0.31 | 2½-1½ pm | 0.83 |
| Japan | 495-503 | 497½-498½ | 2.45-2.20y pm | 8.01 | 10.05-9.80 pm | 7.97 |
| Austria | 30.90-31.15 | 30.90-30.95 | 22-12gro pm | 6.60 | 53-43 pm | 6.21 |
| Switz. | 3.79½-3.84 | 3.80-3.81 | 4½-3½c pm | 13.01 | 12½-11½ dis | 12.48 |

Belgian rate is for convertible francs. Financial franc 69.85-69.75c pm. Six-month forward dollar 2.80-2.70c pm; 12-month 4.50-4.40c pm.

## GOLD

| | July 27 | July 26 |
|---|---|---|
| **Gold Bullion (fine ounce)** | | |
| Close | $305½-306¼ (£131.9-132.3) | $306-306¾ (£131.5-131.8) |
| Opening | $305-305¾ (£131.5-131.8) | $306¾-307½ (£131.5-131.8) |
| Morning fixing | $305.40 (£131.440) | $307.00 (£131.647) |
| Afternoon fixing | $305.80 (£131.889) | $305.20 (£130.987) |
| **Gold Coins, domestically** | | |
| Krugerrand | $313¾-315¾ (£135½-136½) | $314-316 (£134½-135½) |
| New Sovereigns | $78¾-80¾ (£33-34) | $79½-81½ (£34-35) |
| Old Sovereigns | $105½-107½ (£45½-46½) | $103¾-105¾ (£44½-45½) |
| **Gold Coins, internationally** | | |
| Krugerrand | $313¾-315¾ (£135½-136½) | $314-316 (£134½-135½) |
| New Sovereigns | $78¾-80¾ (£33-34) | $79½-81½ (£34-35) |
| Old Sovereigns | $105½-107½ (£45½-46½) | $103¾-105¾ (£44½-45½) |
| $20 Eagles | $425-428 | $423-426 |
| $10 Eagles | $239-244 | $239-244 |
| $5 Eagles | $179-184 | $179-184 |

## LONDON MONEY RATES

| July 27 1979 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Company Deposits | Discount market deposit | Treasury Bills ◆ | Eligible Bank Bills ◆ | Fine Trade Bills ◆ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 12-14¼ | — | — | — | 14¼ | 13½-14 | — | — | — |
| 2 days notice | — | — | 14⅛-14¼ | — | — | — | — | — | — | — |
| 7 days or... | — | — | — | — | — | — | — | — | — | — |
| 7 days notice | — | 14-14¼ | 14¼-14⅜ | — | 14⅝ | 14½ | 13¾-14 | — | — | — |
| One month | 14¼-14⅛ | 14⅛-14¼ | 14-14¼ | 14⅞-14⅜ | 14⅝ | 14½ | 13¾-14 | 13¼ | 14¼ | 14⅜ |
| Two months | 14[illegible]-13[illegible] | 14[illegible]-14[illegible] | — | 14⅝-14½ | 14½ | — | 13¾ | 13[illegible] | 14-13[illegible] | 14¼ |
| Three months | 14[illegible]-13[illegible] | 14-14⅛ | 14-14¼ | 14⅛-14⅛ | 14½ | 14⅜ | 13⅝ | 13[illegible]-13⅝ | 13[illegible]-13⅞ | 14⅛ |
| Six months | 13[illegible]-13[illegible] | 13[illegible]-13[illegible] | 13[illegible]-13⅝ | 13-12⅞ | 13⅞ | — | — | — | 13[illegible] | 14⅛ |
| Nine months | 13[illegible]-12[illegible] | 12⅞-13 | — | 13⅛-13 | 13½ | — | — | — | — | — |
| One year | 12[illegible]-12[illegible] | 12⅝-12¾ | 12⅝-12¾ | 12⅞-12⅞ | 13⅛ | — | — | — | — | — |
| Two years | — | — | 12¾-12⅞ | — | — | — | — | — | — | — |

Local authority and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 12½-12⅞ per cent; four years 12¾-12⅞ per cent; five years 12¾-12⅞ per cent. ◆ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13¾ per cent; four-month trade bills 14½ per cent.

Approximate selling rate for one-month Treasury bills 13¼ per cent; two-month 13¼-13[illegible] per cent; three-month 13[illegible]-13[illegible] per cent. Approximate rates for one-month bank bills 14[illegible]-14⅛ per cent; two-month 13⅞-13[illegible] per cent; and three-month 13[illegible]-13¾ per cent; one-month trade bills 14¾ per cent; two-month 14⅛ per cent; and three-month 14 per cent.

Finance House Base Rate (published by the Finance Houses Association) 13 per cent from July 1, 1978. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.3459 per cent.

## EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.80-10.90 per cent; three months 10.80-10.90 per cent; six months 10.80-10.90 per cent; one year 10.50-10.60 per cent.

| July 27 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | West German Mark | French Franc | Italian Lira | Asian $ | Japanese Yen |
|---|---|---|---|---|---|---|---|---|---|---|
| †Short term | 13⅛-14 | 10⅜-10⅞ | 9⅛-10⅛ | 8⅛-8⅜ | 5-5½ | 5⅞-6⅛ | 11-12 | 12½-17 | — | 5½-10⅞ |
| 7 days' notice | 14-14½ | 10¾-11 | 9½-10½ | 8⅛-8⅜ | 1⅛-1¾ | 6-6⅛ | 11-12 | 17¼-19½ | 10[illegible]-10[illegible] | 6[illegible]-6[illegible] |
| Month | 14[illegible]-14[illegible] | 11[illegible]-12[illegible] | 11⅞-11⅞ | 8⅝-8⅞ | 1½-1⅝ | 6⅛-6¼ | 12¼-12½ | 17¼-18¼ | 10[illegible]-11[illegible] | 6⅛-6[illegible] |
| Three months | 14-14⅛ | 11-11¼ | 11⅛-11⅞ | 9¼-9½ | 1½-1⅝ | 6[illegible]-6[illegible] | 12⅜-12¾ | 16⅛-17½ | 11[illegible]-11[illegible] | 6[illegible]-6⅛ |
| Six months | 13[illegible]-13[illegible] | 11-11¼ | 11[illegible]-11[illegible] | 9⅝-9⅞ | 2[illegible]-2[illegible] | 6⅞-7 | 12½-13 | 15¾-16¾ | 11[illegible]-11[illegible] | 6¼-6[illegible] |
| One year | 12¾-13⅛ | 10⅝-10⅞ | 10⅝-11 | 9½-9¾ | 2[illegible]-2[illegible] | 6⅞-7 | 12¼-12¾ | 14¾-15¾ | 10¾-10⅞ | 6¼-6[illegible] |

Long-term Eurodollar: two years 10[illegible]-10[illegible] per cent; three years 10[illegible]-10[illegible] per cent; four years 10[illegible]-10[illegible] per cent; five years 10-10⅛ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

## EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU July 27 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc | 39.4582 | 40.6659 | +3.06 | +1.40 | ±1.53 |
| Danish Krone | 7.08592 | 7.29509 | +2.97 | +1.30 | ±1.635 |
| German D-Mark | 2.51064 | 2.53981 | +1.16 | −0.50 | ±1.1325 |
| French Franc | 5.79831 | 5.91271 | +1.97 | +0.31 | ±1.35 |
| Dutch Guilder | 2.72077 | 2.79274 | +2.65 | +0.98 | ±1.5075 |
| Irish Punt | 0.662638 | 0.675036 | +1.87 | +0.21 | ±1.665 |
| Italian Lira | 1148.15 | 1140.71 | −0.65 | −0.85 | ±4.0725 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

## CURRENCY RATES

| July 26 | Bank rate % | Special Drawing Rights | European Currency Unit |
|---|---|---|---|
| Sterling | 14 | 0.562268 | 0.599395 |
| U.S. $ | 10 | 1.30969 | 1.39629 |
| Canadian $ | 11¼ | 1.53105 | 1.63143 |
| Austria Sch. | 3¾ | 17.4876 | 18.6684 |
| Belgian F. | 9 | 38.0825 | 40.6415 |
| Danish K. | 9 | 6.82479 | 7.29498 |
| D mark | 5 | 2.38128 | 2.54265 |
| Guilder | 6 | 2.61873 | 2.79538 |
| French Fr. | 9½ | 5.54588 | 5.91888 |
| Lira | 10½ | 1068.71 | 1140.77 |
| Yen | 5¼ | 280.929 | 300.510 |
| Nrwgn. K. | 7 | 6.55696 | 6.99263 |
| Spanish Pes. | 8 | [illegible] | 92.5043 |
| Swedish Kr. | 7 | 5.47974 | 5.84697 |
| Swiss Fr. | 1 | 2.15234 | [illegible] |

## CURRENCY MOVEMENTS

| July 27 | Bank of England Index | Morgan Guaranty changes % |
|---|---|---|
| Sterling | 73.5 | −38.0 |
| U.S. dollar | 84.0 | −9.4 |
| Canadian dollar | 80.5 | −17.1 |
| Austrian schilling | 147.4 | +19.0 |
| Belgian franc | 114.5 | +13.8 |
| Danish kroner | 113.7 | +2.4 |
| Deutsche Mark | 151.8 | +42.2 |
| Swiss franc | 197.9 | +81.4 |
| Guilder | 123.4 | +18.9 |
| French franc | 99.0 | −7.5 |
| Lira | 55.2 | −48.9 |
| Yen | 132.5 | +30.8 |

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

## EXCHANGE CROSS RATES

| July 27 | Pound Sterling | U.S. Dollar | Deutschem'k | Japan'se Yen | French Franc | Swiss Franc | Dutch Guild'r | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 2.315 | 4.213 | 498.0 | 9.808 | 3.805 | 4.630 | 1890. | 2.706 | 67.35 |
| U.S. Dollar | 0.432 | 1. | 1.820 | 215.2 | 4.237 | 1.644 | 2.000 | 816.4 | 1.169 | 29.10 |
| Deutschemark | 0.237 | 0.549 | 1. | 118.2 | 2.328 | 0.903 | 1.099 | 448.5 | 0.642 | 15.99 |
| Japanese Yen 1,000 | 2.008 | 4.648 | 8.459 | 1000. | 19.69 | 7.641 | 9.297 | 3794. | 5.434 | 135.2 |
| French Franc 10 | 1.020 | 2.360 | 4.296 | 507.8 | 10. | 3.880 | 4.721 | 1927. | 2.759 | 68.67 |
| Swiss Franc | 0.263 | 0.608 | 1.107 | 130.9 | 2.578 | 1. | 1.217 | 496.6 | 0.711 | 17.70 |
| Dutch Guilder | 0.216 | 0.500 | 0.910 | 107.6 | 2.118 | 0.822 | 1. | 408.1 | 0.584 | 14.55 |
| Italian Lira 1,000 | 0.529 | 1.225 | 2.229 | 263.6 | 5.191 | 2.014 | 2.450 | 1000. | 1.432 | 35.64 |
| Canadian Dollar | 0.370 | 0.855 | 1.557 | 184.0 | 3.624 | 1.406 | 1.711 | 698.3 | 1. | 24.89 |
| Belgian Franc 100 | 1.485 | 3.437 | 6.255 | 739.4 | 14.56 | 5.650 | 6.875 | 2805. | 4.018 | 100. |

# U.K. CONVERTIBLE STOCKS 27/7/79

Statistics provided by *data STREAM International*

| Name and description | Size (£m) | Current price | Terms* | Conversion dates | Flat yield | Red. yield | Premium† Current | Premium† Range‡ | Income Equ.§ | Income Conv.¶ | Income Diff.♡ | Cheap(+) Dear(−)◇ Current |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bank of Ireland 10pc Cv. 91-96 | 1.20 | 144.00 | 47.6 | 77-80 | 7.1 | 5.3 | −13.6 | −14 to 3 | 0.0 | 9.5 | 5.7 | +19.3 |
| British Land 12pc Cv. 2002 | 7.71 | 248.00 | 333.3 | 80-97 | 4.9 | 3.1 | −3.4 | −7 to 10 | 0.0 | 92.0 | 35.8 | +39.2 |
| Hanson Trust 6½pc Cv. 88-93 | 3.38 | 66.00 | 57.1 | 76-80 | 10.2 | 11.8 | 11.1 | −21 to 11 | 3.1 | 3.2 | 0.2 | −10.9 |
| Slough Estates 10pc Cv. 87-90 | 5.50 | 216.00 | 187.5 | 78-85 | 4.6 | | 3.8 | −2 to 4 | 34.5 | 40.1 | 2.7 | −1.1 |
| Slough Estates 8pc Cv. 91-94 | 24.88 | 111.00 | 78.0 | -91 | 7.3 | 6.8 | 28.2 | 18 to 31 | 27.2 | 50.4 | 26.7 | −1.5 |
| Thorn Electrical 5pc Cv. 90-94 | 4.19 | 115.00 | 29.1 | 75-80 | 4.3 | 5.4 | −6.8 | −7 to −2 | 9.1 | 4.6 | −3.7 | +3.1 |
| Tozer, Kemsley 8pc Cv. 1981 | 0.78 | 88.00 | 153.9 | 74-79 | 9.3 | 15.5 | 4.0 | −1 to 8 | 0.0 | 0.0 | 0.0 | −4.0 |
| Ultramar 7pc net R.Cv.Pfd. | 14.97 | 1.45 | 0.5 | 76-82 | 6.9 | 4.0 | −4.3 | −6 to 7 | 22.1 | 21.1 | −0.7 | +3.7 |
| Wilkinson Match 10pc Cv. 83-98 | 11.10 | 78.00 | 40.0 | 76-83 | 12.9 | 13.3 | 25.8 | 21 to 31 | 28.9 | 31.5 | 4.3 | −21.5 |

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

# Trading account ends on drab note with gilt-edged down ½ further and 30-share index at 5-month low

**Account Dealing Dates**
**Option**

| *First Declara- Dealings | Last tions | Account Dealings | Day |
|---|---|---|---|
| July 16 | July 26 | July 27 | Aug. 6 |
| July 30 | Aug. 9 | Aug. 10 | Aug. 20 |
| Aug. 13 | Aug. 23 | Aug. 24 | Sept. 3 |

* "New time" dealings may take place from 9.30 am two business days earlier.

Still troubled by the UK economic and labour situation, stock markets came to the end of the trading Account yesterday in drab fashion. Leading shares, as measured by the FT 30-share index, settled at their lowest since February 21, while Government securities lost ½ further, the latter being additionally influenced by a continuing shortage of domestic investment funds and also by stock indigestion following recent heavy purchases.

Neither the fall in sterling nor postponement of the recall of special deposits, due on August 3, until September 10, made much impact on sentiment because of the paucity of trade. Business at the longer end of the market mainly consisted of small sales from holders either nervous about the market's short-term outlook or wanting to acquire funds for alternative investment.

Within half-hour or so of the opening, longer-dated issues were another ½ lower with the mammoth new long tap, Treasury 11¾ per cent 2003/07, which made its debut on Thursday, at a discount of nearly a point on the £15 payable on application. Little change occurred in the general price level until after the official close, when quotations began to edge away from the day's lowest.

The shorts, which have recently been guided by the longer maturities, proved to be more resilient on this occasion and sporadic losses of $\frac{1}{16}$ were replaced after-hours' by frequent gains of ¼ following late overseas demand. Treasury 12 per cent A 1983 closed unaltered at 98$\frac{1}{16}$ but was trading at around 98¼ late in the evening.

End-account influences contributed to the dull tone in the equity sectors. Further scrappy selling took a penny or two off leading industrials and once again the absence of "new-time" demand for the trading Account beginning on Monday was conspicuous. The FT 30-share index drifted 3.3 lower to close at 458.2 for a loss on the week of 13 points.

Rates for investment currency responded to a heavier demand which found sellers reluctant at times. The fall in the pound also aided the upturn and the premium closed a net 2¼ points up at 23¼ per cent. Yesterday's SE conversion factor was 0.9151 (0.9210).

The Traded options market ended the week on a quiet note with 412 contracts recorded. The week's daily average, however, at 1,134, was the highest for over two months, although the average was boosted by Wednesday's artificially high total of 3,166, before the close of July series.

## Keyser Ullmann good

Midland concluded what has proved to be a disappointing interim dividend season for the major clearers, reporting first-half profits below expectations together with a none too generous dividend payment. The figures, however, had already been discounted and, after easing momentarily to 340p, Midland recovered to close unchanged on the day at 345p. Adverse comment on the previous day's half-yearly results prompted a fresh fall of 8 to 425p in Barclays making a loss on the week of 45. Lloyds, 295p, and NatWest, 330p, lost 3 apiece to take their fall on the week to 35 and 22 respectively. Elsewhere, Keyser Ullmann featured with a speculative gain of 4 to 68p, after 67p, on take-over suggestions. Still reflecting the gloomy interim statement, Gillett Bros. gave up 10 to 235p among Discounts where Alexanders improved 4 to 240p. Investment currency and domestic influences prompted an improvement of 5 to 129p in Hong Kong and Shanghai.

Scattered buying interest was shown in Insurances. Alexander Howden hardened 2 to 81p and Stenhouse improved 3 to 75p; the latter's interim figures are due on August 23. Brentnall Beard, on the other hand, declined 2 to 16p.

Small end-Account selling left the Brewery leaders narrowly easier. Scottish and Newcastle gave up 1½ at 63½p, while Allied shed a similar amount at 89p. Among regional issues, Vaux remained a dull market, reacting 4 to 144p on rumours of reduced north-eastern sales, while Belhaven eased a couple of pence to 44p ahead of Friday's annual results. Trade in Distilleries was almost non-existent. Arthur Bell fell 4 to 166p and Irish 3 to 147p. Profit-taking after Thursday's speculative rise left Sandeman 3 lower at 87p.

A revival of investment buying lifted Magnet and Southerns 14 to 217p, but Burt Boulton lost 5 more to 170p on the reduced dividend and sharply lower annual profits. Elsewhere in Buildings, renewed offerings left SGB down 5 further at 233p, while still reflecting the annual losses. J. Jarvis reacted 4 afresh to 121p. Parker Timber also gave up 4 to 178p and British Dredging eased 2 to 24p on the preliminary figures.

Following news of the offer worth 415p per share, dealings resumed in Alginate at 395p. Adverse comment left ICI 2 easier at 319p, after 318p, while other Chemical issues to react a few pence included Laporte, 118p, and Yorkshire, 62p.

## Raybeck easier

Raybeck featured the Stores with a reaction of 3 to 106p following the announcement that its wholly owned subsidiary Bourne and Hollingsworth has contracted to sell the freehold of its Oxford Street site to the Equitable Life Assurance Society for £17m cash. Elsewhere, end-Account influences prompted falls of 6 and 7 respectively in Bambers, 120p, and Lee Cooper, 178p, while a resurgence of bid hopes lifted Peters 2 to 63p. Stylo revived in Shoes, improving 6 afresh to 172p.

Subdued conditions persisted in Electricals. Laurence Scott, down 2 more at 56p, remained unsettled by the increased second half loss and omission of the final dividend. Occasional selling left AB Electronic 6 lower at 190p, while others to give ground included Electronic Rentals, 3 off at 189p, and United Scientific, 4 cheaper at 348p. Among the leaders EMI were noteworthy for a loss of 3 at 97p.

Dullness in the Engineering leaders became more pronounced. Tubes encountered selling and gave up 10 to 334p, while falls of around 6 were marked against John Brown, 426p, and GKN, 266p. Elsewhere, dealings resumed in Sanderson Kayser at 78p compared with the supension price of 80p following the agreed bid from GEI International. In contrast, Bullough reacted 28 to 228p in a limited market following the second-half profits warning, while annual results below market expectations prompted a fall of 10 to 78p in Mining Supplies. Sporadic offerings left Matthew Hall 7 cheaper at 186p, Davy Corporation eased 4 to 122p following Press comment on the preliminary figures. British Aluminium weakened 8 to 187p, while the recent profits warning continued to unsettle Staveley which lost 4 more to 246p for a fall of 40 on the week.

Further considerations of Thursday's preliminary results helped Fitch Lovell add a couple of pence at 65p, while favourable Press comment brought a rise of 3 to 318p in J. Sainsbury. On the other hand, Rowntree Mackintosh, 180p, and Associated Dairies, 255p, both lacked support, falling 4 and 3 respectively. Among the more speculative counters, Somportex were sold and lost 6 to 99p, as were George Bassett, 4 lower at 96p. Spillers recovered a little of the recent loss to close a penny better at 40½p, while interest again developed in Batleys of Yorkshire, 2 harder at 110p, for a two-day gain of 10.

Hotels followed the general trend and falls of 4 occurred in Savoy "A," 99p, and Brent Walker, 80p. Grand Met. shed 2 at 139p.

## BTR pleases

Once again, secondary issues provided the main points of interest in the miscellaneous Industrial sector. BTR, currently bidding for Bestobell, stood out with a jump of 17 to 314p, after 316p, following the sharply increased interim dividend and profits. RFD firmed 3 to 59p, the increased pay-out and property revaluation surplus outweighing the lower earnings. Jacksons Bourne End improved 5 to 130p on the annual results, while further consideration of the figures and proposed 100 per cent scrip-issue helped Cawoods harden a penny more to 218p. John Baker found support at 200p, up 7, and Abbey revived with an improvement of 3 to 33p. Prestige, however, receded 5 to 189p after comment on the lower interim profits. End-account profit-taking left Booker McConnell 6 off at 328p and Neil and Spencer similarly down at 200p. Thomas Witter came on offer at 42p, down 3, while J. F. Nash Securities relinquished 5 to 70p. The leaders gave another lack-lustre performance with the volume of business remaining at a very low level. Boots drifted down 3 to 181p, after 179p, and Turner and Newall lost 2 to 115p. Reckitt and Colman dipped 6 to 396p but Glaxo picked up 3 at 440p.

Caledonian Associated Cinemas were again the feature of Leisure issues, rising a further 25 to 675p, still influenced by persisting rumours of a pending offer. Elsewhere, however, small selling was seen in Mams, 139p, and Saga, 154p, both 4 lower.

Motors ended the account on a subdued note with the few discernible movements being downwards. Associated Engineering fell 2 to 78½p, while Flight Refuelling met with further profit-taking and closed 6 off at 198p for a loss on the week of 14. ERF shed 3 to 102p and A.C. Cars dropped 4 to 36p on the reduced interim profits and dividend coupled with the company's pessimism about current trading. Rolls-Royce remained concerned by the possibility of lower export earnings and closed a penny off at 69p, for a week's fall of 6.

The current high level of interest rates remained a deterrent to buyers of Property shares. Prices consequently drifted lower on lack of support and closing falls ranged to 8. Stock Conversion closed that much off at 364p, while Land Securities declined 5 to 285p and MEPC slipped 4 to 179p. Second-thoughts about the preliminary figures brought about a fall of 3 to 74p in British Land, and North British eased a penny to 114p despite favourable Press mention. Haslemere Estates dipped 6 to 294p, Chesterfield eased 5 to 235p and Great Portland Estates, 316p, and Laing, 146p, gave up 4 apiece.

## Oil Exp. good late

Apart from a late speculative flurry in Oil Exploration, up 20 at 338p, which gave rise to vague bid-talk, there was little worthy of note in the Oil sector. British Petroleum drifted off to close 5 cheaper at 1,210p and Shell eased 2 to 336p. Among secondary issues, Tricentrol cheapened 4 to 210p and Burmah lost a similar amount to 136p.

Among Trusts, dealings were suspended in Bridgewater Investment at 9p in view of the fact that the company has entered into a contract to acquire two television rental companies.

End-account influences left Reardon "A" 4 cheaper at 74p and Furness a similar amount lower at 276p in Shippings.

In Plantations, Lawrie firmed 2 more to 412p for a rise of 14 since disposal of the Jokai Tea subsidiary was announced on Wednesday.

## Western Mining rise

Australian issues were prominent in an otherwise subdued mining market. The section as a whole was lifted by news that BP Australia is to take a 49 per cent stake in the copper-uranium-gold deposit at Olympic Dam with Western Mining controlling the remaining 51 per cent; the latter were a good market all day and ended 6 higher at 135p.

Other base-metal producers fared equally well. MIM Holdings climbed 5 to 176p, while Peko-Wallsend added 10 at 290p and Conzinc Riotinto 2 more to 178p. The return to profitability in the last 12 months helped Mount Lyell rise 2 to 32p, while hopes of a reopening of the Fimiston gold mine attracted buyers to North Kalgurli, which hardened a penny more to 18p, a gain of 3½ on the week.

South African Golds failed to attract much interest despite the continuing steadiness of the bullion price which, although marginally easier yesterday, remained at $305.875, $7.25 firmer on the week. The Gold Mines index hardened 0.4 to 158.8, this leaving it with a week's loss of 1.1, while the ex-premium index slipped 0.6 to 145.3, down 4.9 on the week.

Financials showed minor movements either way. In South Africans, De Beers managed a 6 gain at 344p but the London registered Gold Fields dipped 3 to 218p. Rio Tinto-Zinc put on a similar amount at 255p after the fall earlier in the week on news that the Tennessee Valley Authority has sought to void the big uranium contract with RTZ's 51 per cent-owned Rio Algom.

## FINANCIAL TIMES STOCK INDICES

| | July 27 | July 26 | July 25 | July 24 | July 23 | July 20 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 72.93 | 73.23 | 73.65 | 73.96 | 73.89 | 73.37 | 70.74 |
| Fixed interest | 74.75 | 74.96 | 75.22 | 75.55 | 74.96 | 74.56 | 72.25 |
| Industrial | 458.2 | 461.5 | 454.4 | 467.0 | 466.7 | 471.2 | 492.1 |
| Gold Mines | 158.8 | 158.4 | 157.6 | 161.8 | 164.3 | 159.9 | 183.4 |
| Gold Mines(Ex-$ pm) | 145.3 | 145.9 | 147.5 | 151.7 | 152.7 | 150.4 | 124.0 |
| Ord. Div. Yield | 6.90 | 6.86 | 6.82 | 6.78 | 6.78 | 6.73 | 5.41 |
| Earnings,Yld. % (full) | 17.37 | 17.26 | 17.16 | 17.06 | 17.06 | 16.93 | 15.42 |
| P/E Ratio (net) (*) | 7.21 | 7.25 | 7.30 | 7.34 | 7.34 | 7.39 | 8.12 |
| Total bargains | 16,688 | 16,308 | 15,667 | 15,859 | 16,300 | 18,180 | — |
| Equity turnover £m | — | 75.51 | 76.97 | 75.06 | 78.66 | 67.88 | 101.71 |
| Equity bargains total | — | 11,545 | 11,168 | 9,926 | 11,021 | 10,378 | 19,416 |

10 am 460.1. 11 am 459.9. Noon 459.1. 1 pm 458.4.
2 pm 458.4. 3 pm 458.1.
Latest Index 01-246 8026.
* Nil = 6.91.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

### HIGHS AND LOWS

| | 1979 High | 1979 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 75.91 (4/6) | 64.64 (9/2) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 77.75 (5/6) | 66.03 (15/2) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 558.6 (4/5) | 446.1 (12/2) | 558.6 (4/5/79) | 49.4 (26/6/40) |
| Gold Mines | 208.4 (8/6) | 129.9 (17/4) | 442.3 (22/5/75) | 43.5 (26/10/71) |
| Gold Mines (Ex-$pm) | 169.5 (6/6) | 95.2 (2/11) | 337.1 (3/4/74) | 54.3 (25/6/76) |

### S.E. ACTIVITY

| | July 27 | July 26 |
|---|---|---|
| —Daily | | |
| Gilt Edged | 112.0 | 145.2 |
| Industrials | 112.2 | 141.7 |
| Speculative | 25.5 | 29.5 |
| Totals | 79.1 | 96.0 |
| 5-d'y Av'r'ge | | |
| Gilt Edged | 134.0 | 136.9 |
| Industrials | 115.9 | 115.7 |
| Speculative | 26.8 | 27.1 |
| Totals | 83.5 | 79.5 |

## Lords costs put at £7.7m

ABOLITION of the House of Lords would save the Government £7.7m a year, Civil Service Minister Paul Channon told Labour MP Mr. Arthur Lewis (Newham North West) in a Commons written reply yesterday.

But the Government "does not intend" to go ahead with abolition, he added.

## NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

### NEW HIGHS (8)

BRITISH FUNDS (2)
Treasury 3pc 1979 Electric 4½pc '74-79
BUILDINGS (1)
Rowlinson
ENGINEERING (1)
Sanderson Kayser
LEISURE (1)
Nelson & Wright
TEXTILES (1)
Highams
TRUSTS (1)
London Merchant
TEAS (1)
Lawrie Plant.

### NEW LOWS (112)

BRITISH FUNDS (3)
FOREIGN BONDS (1)
AMERICANS (1)
BANKS (8)
BEERS (1)
BUILDINGS (8)
CHEMICALS (1)
DRAPERY & STORES (1)
[illegible]

## LONDON TRADED OPTIONS

| Option | Ex'rc'se price | Oct. Closing offer | Oct. Vol. | Jan. Closing offer | Jan. Vol. | April Closing offer | April Vol. | Equity close |
|---|---|---|---|---|---|---|---|---|
| BP | 1100 | 150 | — | 165 | 1 | — | — | 1210p |
| BP | 1300 | 20 | — | 55 | 55 | 85 | — | " |
| Com. Union | 160 | 2½ | 9 | 6 | — | 11 | 9 | 158p |
| Courtaulds | 90 | 4 | — | 6 | — | 10 | 18 | 84p |
| GEC | 420 | 6 | 14 | 19 | — | 27 | — | 358p |
| Grand Met. | 158 | 11 | 31 | 17 | 18 | 7 | — | 180p |
| Grand Met. | 158 | 4½ | — | 8½ | 7 | — | — | " |
| Grand Met. | 180 | 55 | — | 57 | 1 | 10 | 6 | " |
| ICI | 300 | [illegible] | — | [illegible] | — | [illegible] | — | 319p |
| ICI | 330 | 15 | 31 | 23 | — | 26 | 1 | " |
| ICI | 360 | 3 | — | 9 | — | 15 | — | " |
| ICI | 390 | 2½ | — | 4 | — | 7 | — | " |
| Land Secs. | 280 | 20 | 15 | 26 | — | 41 | — | 285p |
| Land Secs. | 300 | 11 | — | 20 | — | 30 | — | " |
| Land Secs. | 330 | 4 | — | 12 | — | 80 | — | " |
| Marks & Sp. | 110 | 9½ | 56 | 16 | — | 20 | — | 110p |
| Marks & Sp. | 130 | 2½ | — | 7 | — | 4 | — | " |
| Shell | 400 | 3 | — | 6 | — | 11 | — | 336p |
| Totals | | | 144 | | 107 | | 37 | |
| | | August | | November | | February | | |
| Boots | 180 | 7 | — | 17 | 41 | 24 | — | 180p |
| Boots | 200 | 1½ | — | 8 | 21 | 11 | 15 | " |
| EMI | 100 | 5 | 5 | 11 | 6 | 19 | — | 96p |
| EMI | 120 | 1½ | — | 5 | — | 10 | 6 | " |
| Imperial Gp. | 90 | 4½ | — | 6 | — | 11 | 16 | 91p |
| RTZ | 260 | 9 | — | 21 | 5 | 30 | — | 255p |
| RTZ | 280 | 4 | — | 14 | — | 22 | 6 | " |
| RTZ | 300 | 2 | — | 9 | — | 18 | 5 | " |
| Totals | | | 5 | | 71 | | 50 | |

## ACTIVE STOCKS

### YESTERDAY—

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1979 high | 1979 low |
|---|---|---|---|---|---|---|
| BP | £1 | 9 | 1,210 | −5 | 1,295 | 882 |
| NatWest Bank | £1 | 9 | 330 | −3 | 406 | 278 |
| Barclays Bank | £1 | 8 | 425 | −8 | 514 | 360 |
| Merc. House 'New' | 25p | 8 | 178 | −3 | 187 | 178 |
| Shell Transport | 25p | 8 | 336 | −2 | 402 | 278 |
| GEC | 25p | 7 | 360 | −2 | 456 | 311 |
| ICI | £1 | 7 | 319 | −2 | 415 | 318 |
| Ladbroke | 10p | 7 | 169 | — | 243 | 167 |
| Spillers | 25p | 7 | 40½ | +1 | 49½ | 30½ |
| BAT Inds. | 25p | 6 | 268 | +2 | 362 | 255 |
| BTR | 25p | 6 | 314 | +17 | 341 | 219 |
| Burmah Oil | £1 | 6 | 136 | −4 | 150 | 82 |
| Midland Bank | £1 | 6 | 345 | — | 455 | 340 |
| Commercial Union | 25p | 5 | 136 | −2 | 185 | 136 |
| Pilkington | £1 | 5 | 317 | −3 | 395 | 275 |

*The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.*

### ON THE WEEK—

| Stock | Denomination | No. of marks | Closing price (p) | Change on week | 1979 high | 1979 low |
|---|---|---|---|---|---|---|
| ICI | £1 | 52 | 319 | −12 | 415 | 318 |
| BP | £1 | 51 | 1,210 | −26 | 1,295 | 882 |
| Shell Transport | 25p | 45 | 336 | −4 | 402 | 278 |
| Barclays Bank | £1 | 42 | 425 | −45 | 514 | 360 |
| NatWest Bank | £1 | 40 | 330 | −22 | 406 | 278 |
| Beecham | 25p | 37 | 535 | — | 755 | 520 |
| BAT Inds. | 25p | 35 | 268 | +3 | 362 | 255 |
| GEC | 25p | 34 | 360 | −1 | 456 | 311 |
| Ladbroke | 10p | 31 | 169 | −11 | 243 | 167 |
| Unilever | 25p | 31 | 488 | −4 | 680 | 482 |
| Midland Bank | £1 | 30 | 345 | −30 | 455 | 340 |
| RTZ | 25p | 28 | 255 | −5 | 362 | 226 |
| Boots | 25p | 27 | 181 | −9 | 230 | 179 |
| GKN | £1 | 27 | 266 | −16 | 305 | 226 |
| Spillers | 25p | 27 | 40½ | −2½ | 49½ | 30½ |

## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 14 % | ■ Hambros Bank | 14 % |
| Allied Irish Banks Ltd. | 14 % | ■ Hill Samuel | §14 % |
| Amro Bank | 14 % | C. Hoare & Co. | †14 % |
| American Express Bk. | 14 % | Julian S. Hodge | 15 % |
| A P Bank Ltd. | 14 % | Hongkong & Shanghai | 14 % |
| Henry Ansbacher | 14 % | Industrial Bk. of Scot. | 14½ % |
| Associates Cap. Corp. | 14 % | Keyser Ullmann | 14 % |
| Banco de Bilbao | 14 % | Knowsley & Co. Ltd. | 15½ % |
| Bank of Credit & Cmce. | 14 % | Lloyds Bank | 14 % |
| Bank of Cyprus | 14 % | London Mercantile | 14 % |
| Bank of N.S.W. | 14 % | Edward Manson & Co. | 15 % |
| Banque Belge Ltd. | 14 % | Midland Bank | 14 % |
| Banque du Rhone et de la Tamise S.A. | 14½ % | ■ Samuel Montagu | 14 % |
| Barclays Bank | 14 % | ■ Morgan Grenfell | 14 % |
| Bremar Holdings Ltd. | 15 % | National Westminster | 14 % |
| Brit. Bank of Mid. East | 14 % | Norwich General Trust | 14 % |
| ■ Brown Shipley | 14 % | P. S. Refson & Co. | 14 % |
| Canada Perm't Trust | 14 % | Rossminster | 14 % |
| Cayzer Ltd. | 14 % | Ryl. Bk. Canada (Ldn.) | 14 % |
| Cedar Holdings | 14 % | Schlesinger Limited | 14 % |
| ■ Charterhouse Japhet | 14 % | E. S. Schwab | 15 % |
| Choulartons | 14 % | Security Trust Co. Ltd. | 15 % |
| C. E. Coates | 14 % | Shenley Trust | 16 % |
| Consolidated Credits | 14 % | Standard Chartered | 14 % |
| Co-operative Bank | *14 % | Trade Dev. Bank | 14 % |
| Corinthian Secs. | 14 % | Trustee Savings Bank | 14 % |
| Credit Lyonnais | 14 % | Twentieth Century Bk. | 15 % |
| The Cyprus Popular Bk. | 14 % | United Bank of Kuwait | 14 % |
| Duncan Lawrie | 14 % | Whiteaway Laidlaw | 14½ % |
| Eagil Trust | 14 % | Williams & Glyn's | 14 % |
| English Transcont. | 14 % | Yorkshire Bank | 14 % |
| First Nat. Fin. Corp. | 15½ % | | |
| First Nat. Secs. Ltd. | 15½ % | | |
| ■ Antony Gibbs | 14 % | | |
| Greyhound Guaranty | 14 % | | |
| Grindlays Bank | ‡14 % | | |
| ■ Guinness Mahon | 14 % | | |

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%. 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

## OPTIONS

**DEALING DATES**

| First Deal-ings | Last Deal-ings | Last Declara-tion | For Settle-ment |
|---|---|---|---|
| July 24 | Aug. 6 | Oct. 18 | Oct. 30 |
| Aug. 7 | Aug. 20 | Nov. 1 | Nov. 13 |
| Aug. 21 | Sept. 3 | Nov. 15 | Nov. 27 |

*For rate indications see end of Share Information Service*

In a very quiet business, calls were traded in Baker Perkins, Barker and Dobson, Siebens (UK), Boulton Textile, Tarmac, Town and City, EMI, Silvermines, Lydenburg Plat. and Lonrho. No puts were dealt, but doubles were completed in Smith Bros. and Comfort Hotels.

## RISES AND FALLS

| | Yesterday Up | Yesterday Down | Yesterday Same | On the week Up | On the week Down | On the week Same |
|---|---|---|---|---|---|---|
| British Funds | 2 | 59 | 28 | 164 | 202 | 88 |
| Cpn. Dom. and Foreign Bonds | 2 | 15 | 48 | 48 | 51 | 226 |
| Industrials | 115 | 287 | 1,011 | 663 | 1,791 | 4,851 |
| Financial and Prop. | 43 | 190 | 272 | 219 | 742 | 1,564 |
| Oils | 7 | 12 | 20 | 35 | 71 | 89 |
| Plantations | 9 | 6 | 18 | 26 | 23 | 109 |
| Mines | 56 | 19 | 69 | 197 | 193 | 330 |
| Others | 65 | 20 | 68 | 261 | 204 | 298 |
| Totals | 299 | 606 | 1,532 | 1,613 | 3,238 | 7,332 |

## RECENT ISSUES

### EQUITIES

| Issue Price p: | Amount Paid Up | Latest Renunc. Date | 1979 High | 1979 Low | Stock | Closing Price p: | + or − | Div. P. or Amount | Times Covered | Gross Yield | P.E. Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ‡‡ | F.P. | 24/8 | 75 | 60 | Arrow Chemicals | 70 | [illegible] | b2.0 | 3.8 | 4.1 | 15.1 |
| 50 | F.P. | 17/8 | 70 | 67 | B & Q (Retail) 5p | 76 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 80½ | F.P. | 27/7 | 105½ | 95 | Fairline Boats | 105½ | +4 | b5.5 | 3.5 | 4.7 | 7.6 |
| ‡‡ | F.P. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 160 | F.P. | [illegible] | 187 | 178 | Mercantile House | 178 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| " | F.P. | 10/8 | 37 | 28 | Mettoy Dfd. | 28 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| ‡‡ | F.P. | [illegible] | [illegible] | [illegible] | Phicom 10p | 37½ | [illegible] | n1.0 | 4.6 | 3.9 | 16.4 |
| 160 | F.P. | 6/8 | 187 | 176 | Standard Tel. & Cables | 187 | [illegible] | b8.0 | 3.1 | 6.1 | 11.3 |

### FIXED INTEREST STOCKS

| Issue Price £ | Amount Paid Up | Latest Renunc. Date | 1979 High | 1979 Low | Stock | Closing Price £ | + or − |
|---|---|---|---|---|---|---|---|
| ‡91 | F.P. | 31/8 | 87 | 86½ | Aurora 8¼ Conv. Cum. Pref. | 87 | [illegible] |
| 100 | F.P. | 20/7 | 101¼ | 93 | English & Overseas Inv. Conv. [illegible] | 95 | [illegible] |
| ‡96½ | £10 | [illegible] | 11½ | 11¼ | Essex Water 8½% Red. Pref. 1984 | 11½ | [illegible] |
| 100 | F.P. | [illegible] | 106 | 100 | Kwik-Fit (Tyres) 8% Cnv. [illegible] | 106 | [illegible] |
| 100 | F.P. | 20/7 | 103 | 98 | Marsh'l's Univ'rs'l 7½% Cnv.Cum.Red.Prf. | 99 | [illegible] |
| 100 | F.P. | [illegible] | [illegible] | [illegible] | Portsmouth Water 8% Red. Prf. 1984 | [illegible] | [illegible] |
| 97 | Nil | [illegible] | [illegible] | [illegible] | Scot. Agricultural Sec. 13% Deb. 97-99 | 98¼ | [illegible] |
| ‡98 | £10 | 24/8 | 13 | £12¼ | Sund. & S. Shields Water 8% 1986 | £13 | [illegible] |
| ‡98 | £10 | 10/10 | 13 | £12¼ | Wrexham Water 8% 1984 | £13 | [illegible] |

### "RIGHTS" OFFERS

| Issue Price p: | Amount Paid Up | Latest Renunc. Date | 1979 High | 1979 Low | Stock | Closing Price p: | + or − |
|---|---|---|---|---|---|---|---|
| A52 | Nil | [illegible] | [illegible] | [illegible] | Bank of New South Wales | 57pm | −1 |
| 36 | F.P. | [illegible] | [illegible] | [illegible] | Causton Sir (J.) | 40 | [illegible] |
| 65 | F.P. | [illegible] | [illegible] | [illegible] | Century Oils | [illegible] | [illegible] |
| 52½ | F.P. | [illegible] | [illegible] | [illegible] | Combined English Stores | [illegible] | [illegible] |
| 30 | Nil | [illegible] | [illegible] | [illegible] | Control Securities | 11pm | +½ |
| 25 | Nil | [illegible] | [illegible] | [illegible] | Edinburgh & Gen. | 4pm | [illegible] |
| 195 | F.P. | [illegible] | [illegible] | [illegible] | Elliott (B.) | [illegible] | [illegible] |
| 100 | F.P. | [illegible] | [illegible] | [illegible] | Geevor Tin | [illegible] | [illegible] |
| 60 | F.P. | [illegible] | [illegible] | [illegible] | Goldberg (A) | [illegible] | [illegible] |
| 126 | F.P. | [illegible] | [illegible] | [illegible] | Grand Metropolitan | [illegible] | [illegible] |
| 50 | Nil | [illegible] | [illegible] | [illegible] | Hanson Trust | 51pm | [illegible] |
| 47 | Nil | [illegible] | [illegible] | [illegible] | Hargreaves | [illegible] | [illegible] |
| 88 | F.P. | [illegible] | [illegible] | [illegible] | Highland Dist. | [illegible] | [illegible] |
| 155 | F.P. | [illegible] | [illegible] | [illegible] | Holt Lloyd Intl. | [illegible] | [illegible] |
| 110 | F.P. | [illegible] | [illegible] | [illegible] | Intl. Timber | [illegible] | [illegible] |
| 108 | F.P. | [illegible] | [illegible] | [illegible] | McCorquodale | [illegible] | [illegible] |
| 25cts | Nil | [illegible] | [illegible] | [illegible] | Ovenstone | [illegible] | [illegible] |
| 60 | F.P. | [illegible] | [illegible] | [illegible] | Sound Diffusion | [illegible] | [illegible] |
| 108 | F.P. | [illegible] | [illegible] | [illegible] | Stylo Shoes | [illegible] | [illegible] |
| 57 | F.P. | [illegible] | [illegible] | [illegible] | Tops Est. | [illegible] | [illegible] |
| 87 | F.P. | [illegible] | [illegible] | [illegible] | W.G.I. | [illegible] | [illegible] |

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Fri., July 27, 1979 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Thurs. July 26 Index No. | Wed. July 25 Index No. | Tues. July 24 Index No. | Mon. July 23 Index No. | Year ago (approx.) Index No. | 1979 High | 1979 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (172) | 237.61 | −0.6 | 18.14 | 5.95 | 7.12 | 239.06 | 239.97 | 241.89 | 241.88 | 226.38 | [illegible] | [illegible] | [illegible] | [illegible] |
| 2 | Building Materials (27) | 223.85 | +0.1 | 18.70 | 5.93 | 6.97 | 223.72 | 224.25 | 224.91 | 224.75 | 206.60 | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 | Contracting, Construction (28) | 349.32 | −0.4 | 26.12 | 5.98 | 4.79 | 350.75 | 352.64 | 355.26 | 356.64 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 4 | Electricals (15) | 581.19 | −0.3 | 13.42 | 3.98 | 10.23 | 582.88 | 582.75 | 585.45 | 584.11 | 482.58 | [illegible] | [illegible] | [illegible] | [illegible] |
| 5 | Engineering Contractors (12) | 376.72 | −0.8 | 19.67 | 6.43 | 6.34 | 379.91 | 381.20 | 385.54 | 385.46 | 332.91 | [illegible] | [illegible] | [illegible] | [illegible] |
| 6 | Mechanical Engineering (74) | 172.70 | −1.2 | 18.46 | 6.68 | 6.54 | 174.79 | 175.56 | 177.75 | 178.36 | 182.12 | [illegible] | [illegible] | [illegible] | [illegible] |
| 8 | Metals and Metal Forming (16) | 159.64 | −1.3 | 20.27 | 9.38 | 6.13 | 161.61 | 163.18 | 166.16 | 166.25 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 11 | CONSUMER GOODS (DURABLE) (52) | 225.10 | −0.5 | 16.27 | 8.05 | 7.76 | 226.17 | 226.21 | 227.15 | 226.62 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 12 | Lt. Electronics, Radio, TV (16) | [illegible] | −0.4 | 12.79 | 3.80 | 10.26 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 13 | Household Goods (13) | 150.19 | −0.7 | 19.39 | 7.27 | 6.35 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 14 | Motors and Distributors (25) | 109.72 | −0.5 | 24.38 | 7.64 | 4.98 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 21 | CONSUMER GOODS (NON-DURABLE) (171) | 229.62 | −0.4 | 17.05 | 6.15 | 7.33 | 230.46 | 231.22 | 232.05 | 231.70 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 22 | Breweries (14) | 274.48 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 23 | Wines and Spirits (6) | 324.86 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 24 | Entertainment, Catering (17) | 298.69 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 25 | Food Manufacturing (19) | 224.71 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 26 | Food Retailing (15) | 297.49 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 32 | Newspapers, Publishing (12) | 401.54 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 33 | Packaging and Paper (15) | 120.99 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 34 | Stores (41) | 226.51 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 35 | Textiles (23) | 149.93 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 36 | Tobaccos (3) | 233.15 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 37 | Toys and Games (6) | 65.30 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 41 | OTHER GROUPS (99) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 42 | Chemicals (18) | 267.23 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 43 | Pharmaceutical Products (7) | 213.11 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 44 | Office Equipment (6) | 116.29 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 45 | Shipping (10) | 449.43 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 46 | Miscellaneous (58) | 231.92 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 49 | INDUSTRIAL GROUP (494) | 229.58 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 51 | Oils (6) | 644.10 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 59 | 500 SHARE INDEX | 263.82 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 61 | FINANCIAL GROUP (116) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 62 | Banks (6) | 216.39 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 63 | Discount Houses (10) | 257.50 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 64 | Hire Purchase (5) | 161.30 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 65 | Insurance (Life) (10) | 145.99 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 66 | Insurance (Composite) (8) | 117.73 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 67 | Insurance Brokers (10) | 236.93 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 68 | Merchant Banks (14) | 96.30 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 69 | Property (43) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 70 | Miscellaneous (10) | 155.92 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 71 | Investment Trusts (110) | 201.73 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 81 | Mining Finance (4) | 132.77 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 91 | Overseas Traders (20) | 324.24 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 99 | ALL-SHARE INDEX (750) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST PRICE INDICES

| | British Government | Fri. July 27 | Day's change % | xd adj. today | xd adj. 1979 to date |
|---|---|---|---|---|---|
| 1 | Under 5 years | 105.42 | +0.06 | — | 4.94 |
| 2 | 5-15 years | 116.73 | −0.34 | — | 6.90 |
| 3 | Over 15 years | 124.11 | −0.48 | — | 8.15 |
| 4 | Irredeemables | 138.65 | −0.65 | — | 7.24 |
| 5 | All stocks | 114.87 | −0.25 | — | 6.58 |

### FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.

| | | | Fri. July 27 | Thurs. July 26 | Year ago (approx.) |
|---|---|---|---|---|---|
| 1 | Low Coupons | 5 years | 10.26 | [illegible] | [illegible] |
| 2 | | 15 years | [illegible] | [illegible] | [illegible] |
| 3 | | 25 years | [illegible] | [illegible] | [illegible] |
| 4 | Medium Coupons | 5 years | [illegible] | [illegible] | [illegible] |
| 5 | | 15 years | [illegible] | [illegible] | [illegible] |
| 6 | | 25 years | [illegible] | [illegible] | [illegible] |
| 7 | High Coupons | 5 years | [illegible] | [illegible] | [illegible] |
| 8 | | 15 years | [illegible] | [illegible] | [illegible] |
| 9 | | 25 years | [illegible] | [illegible] | [illegible] |
| 10 | Irredeemables | | [illegible] | [illegible] | [illegible] |

| | | Fri., July 27 Index No. | Yield % | Thur. July 26 | Wed. July 25 | Tues. July 24 | Mon. July 23 | Fri. July 20 | Thur. July 19 | Wed. July 18 | Year ago (approx.) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 15 | 20-yr. Red. Deb. & Loans (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 16 | Investment Trust Prefs. (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 17 | Coml. and Indl. Prefs. (20) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Equity Section or Group | Base Date | Base Value | Equity Section or Group | Base Date | Base Value |
|---|---|---|---|---|---|
| Pharmaceutical Products | 30/12/77 | 261.77 | Food Manufacturing | 29/12/67 | 114.13 |
| Other Groups | 31/12/74 | 63.75 | Food Retailing | 29/12/67 | 114.13 |
| Overseas Traders | 31/12/74 | 100.00 | Insurance Brokers | 29/12/67 | 96.67 |
| Engineering Contractors | 31/12/71 | 153.84 | Mining Finance | 29/12/67 | 100.00 |
| Mechanical Engineering | 31/12/71 | 153.84 | All Other | 10/4/62 | 100.00 |
| Wines and Spirits | [illegible] | [illegible] | British Government | 31/12/75 | 100.00 |
| Toys and Games | [illegible] | [illegible] | | | |
| Office Equipment | [illegible] | [illegible] | | | |
| Industrial Group | [illegible] | [illegible] | | | |
| Miscellaneous Financial | 31/12/70 | 128.06 | | | |

†Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 22p.

# AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a)(g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)

Barclays Unicorn Ltd. (a)(g)(c)

Baring Brothers & Co. Ltd.♥ (a)(x)

Bishopsgate Progressive Mgmt. Co.♥

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

The British Life Office Ltd.♥ (a)

Brown Shipley & Co. Ltd.♥

Canada Life Unit Tst. Mngrs. Ltd.♥

Cannon Fund Managers Ltd. (a)(g)

Capel (James) Mngt. Ltd.♥

Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)

Charities Official Invest. Fund♥

Chieftain Trust Managers Ltd. (a)(g)

Confederation Funds Mgt. Ltd.♥ (a)

Cosmopolitan Fund Managers (a)

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M.♥ (a)(b)(c)

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tst. Mgrs.♥

Funds in Court♥

G.T. Unit Managers Ltd.♥

G. & A. Trust (a) (g)

Gartmore Fund Managers♥ (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)♥

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration♥ (a)(c)(g)

Hill Samuel Unit Tst. Mgrs.† (a)

Investment Intelligence Ltd.♥ (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers♥

L & C Unit Trust Management Ltd.♥

Legal & General Tyndall Fund♥

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥ (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.*

M & G Group♥ (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.♥ (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt.♥ (a)

Mutual Unit Trust Managers♥ (a)(g)

National and Commercial

National Provident Inv. Mngrs. Ltd.♥

National Westminster♥ (a)

NEL Trust Managers Ltd.♥ (a)(g)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.♥ (a)

Practical Invest. Co. Ltd.♥ (y)(c)

Provincial Life Inv. Co. Ltd.♥

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)

Quilter Management Co. Ltd.♥

Reliance Unit Mgrs. Ltd.♥

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.♥ (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group♥

Schlesinger Trust Mngrs. Ltd. (a)(z)

J. Henry Schroder Wagg & Co. Ltd.♥ (a)(c)

Scottish Equitable Fnd. Mgrs. Ltd.♥

Sebag Unit Tst. Managers Ltd.♥ (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.♥ (a)(g)

Target Tst. Mngrs. (Scotland) (a)(b)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers♥

Transatlantic and Gen. Secs. Co.♥ (y)

TSB Unit Trusts (y)

Tyndall Managers Ltd.♥

Ulster Bank♥ (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

NOTES

# INSURANCE AND PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.♥

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.♥

Canada Life Assurance Co.

Cannon Assurance Ltd.♥

Capital Life Assurance♥

Charterhouse Magna Gp.♥

Chieftain Assurance Funds

City of Westminster Assur. Co. Ltd.

City of Westminster Assur. Soc. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.♥

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.♥

Gartmore Bonds

General Portfolio Life Ins. C. Ltd.♥

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.♥

Guardian Royal Exchange

Hambro Life Assurance Limited♥

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.♥

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assurance Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

Lloyds Bk. Unit Tst. Mngrs. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.♥

M & G Group♥

Merchant Investors Assurance♥

MPI Pensions Management Ltd.

NEL Pensions Ltd.

New Zealand Ins. Co. (UK) Ltd.♥

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.♥

Property Growth Assur. Co. Ltd.♥

Provident Capital Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited♥

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group♥

Schroder Life Group♥

Scottish Widows' Group

Solar Life Assurance Limited

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.♥

Tyndall Assurance/Pensions♥

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.♥

Windsor Life Assur. Co. Ltd.

# OFFSHORE AND OVERSEAS FUNDS

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Australian Selection Fund NV

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive Mgmt. Agents

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Fund Mgrs. Ltd.

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

International Pacific Inv. Mngmt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Keyser Ullmann Ltd.

King & Shaxson Mgrs.

Kleinwort Benson Limited

Leopold Joseph & Sons (Guernsey)

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

M & G Group

Midland Bank Tst. Corp. (Jersey) Ltd.

Samuel Montagu Ldn. Agents

Murray, Johnstone (Inv. Adviser)

Nat. Westminster Jersey Fd. Mgrs. Ltd.

Negit S.A.

Negit Ltd.

Pacific Basin Fund

Phoenix International

Providence Capitol Life Ass. (C.I.)

Quest Fund Mngmt. (Jersey) Ltd.

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

Rothschild Asset Mgt. (Bermuda)

Royal Trust (C.I.) Fd. Mgt. Ltd.

Save & Prosper International

Schlesinger International Mngt. Ltd.

Schroder Life Group

J. Henry Schroder Wagg & Co. Ltd.

Sentry Assurance International Ltd.

Singer & Friedlander Ldn. Agents.

Stronghold Management Limited

Surinvest (Jersey) Ltd. (x)

TSB Trust Funds (C.I.)

TSB Unit Trust Managers (C.I.) Ltd.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Group

Unilife Assurance (Overseas) Ltd.

Union-Investment-Gesellschaft mbH

Utd. Intnl. Mngmnt. (C.I.) Ltd.

United States Tst. Intl. Adv. Co.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

World Wide Growth Management

Wren Commodity Trust

# FT SHARE INFORMATION SERVICE

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

| 1979 High | Low | Stock | Price £ | + or − | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 98⅝ | 94⅝ | Treasury 3pc '79‡‡ | 98⅝ | +1/16 | 3.04 | 13.12 |
| 98½ | 95⅜ | Electric 4½pc '74-79 | 98½ | +1/32 | 4.31 | 13.46 |
| 100¼ | 54⅝ | Treasury 10½pc '79‡‡ | 99⅝ | ..... | 10.59 | 13.49 |
| 97½ | 94½ | Electric 3½pc '76-79 | 97¼ | ..... | 3.60 | 13.00 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Five to Fifteen Years

| | | | | | | |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Over Fifteen Years

| | | | | | | |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Undated

| | | | | | | |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## INTERNATIONAL BANK

| | | | | | | |
|---|---|---|---|---|---|---|
| 85 | 80 | 5pc Stock '77-82 | 84 | ..... | 5.95 | 11.31 |

## CORPORATION LOANS

| | | | | | | |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## COMMONWEALTH & AFRICAN LOANS

| | | | | | | |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## LOANS

Public Board and Ind.

| | | | | | | |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Financial

| | | | | | | |
|---|---|---|---|---|---|---|
| 103¾ | 98¼ | FFI 13pc 1981 | 100¼ | ..... | 12.97 | 12.76 |
| 107 | 100 | Do. 14pc '79 | 101 | ..... | 14.24 | — |
| 108¼ | 98¼ | Do. 14pc '83 | 103¼ | ..... | 13.56 | 12.98 |
| 86½ | 77½ | ICFC 5½pc Deb. '80-82 | 85½ | ..... | 6.59 | 11.80 |
| 85 | 71½ | Do. 6¼pc Db. '81-84 | 78½ | ..... | 8.11 | 12.20 |
| 99 | 84½ | Do. 10½pc Uns.Ln. '86 | 91½ | ..... | 11.57 | 12.60 |
| 99 | 84½ | Do. 11pc Uns.Ln. '88 | 93 | ..... | 11.93 | 12.40 |
| 101½ | 84 | Do. 11¾pc Uns.Ln. '90 | 95 | ..... | 12.45 | 12.70 |
| 72½ | 57 | Do. 7¼pc A Deb. '89-92 | 66½ | ..... | 11.13 | 12.70 |
| 69 | 53½ | Do. 7¼pc A Db. '91-94 | 66¼ | ..... | 11.33 | 12.60 |
| 81½ | 64½ | Do. 9pc 'A' '91-94 | 78½ | ..... | 11.98 | 12.70 |
| 78½ | 62½ | Do. 8¾pc Ln. '92-97 | 72½xd | ..... | 12.24 | 12.70 |
| 101 | 95½ | Do. 12pc Uns. Ln. 1992 | 100½ | ..... | 12.91 | 13.00 |

## FOREIGN BONDS & RAILS

| 1979 High | Low | Stock | Price £ | + or − | Div. % Gross | Red. Yield |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

U.S. $ & DM prices exclude inv. $ premium

## AMERICANS

| 1979 High | Low | Stock | £ | + or − | Div. Gross | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

S.E. List Premium [illegible]

## CANADIANS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

S.E. List Premium [illegible]

## BANKS AND HIRE PURCHASE

| 1979 High | Low | Stock | Price | + or − | Div. Net | Cvr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 16 | 12 | Dawes (G.R.) | 12 | ..... | — | — | — | — |
| £121 | £64 | Deutsche Bank DM50 | £64 | ..... | Q18% | — | 3.6 | — |
| 90 | 63 | F.C. Finance | 63 | ..... | 2.2 | 4.9 | 5.0 | 5.8 |
| 8¼ | 5¼ | First Nat. 10p | 6 | −¼ | — | — | — | 0.4 |
| 4 | 2 | Do. Wrts. 75-83 | 2¼ | −¼ | — | — | — | — |
| 16¼ | 13 | Fraser Ans. 10p | 13 | −¼ | — | — | — | — |
| 266 | 178 | Gerrard Natnl. | 250 | ..... | 9.12 | — | 5.2 | — |
| 62 | 39 | Gibbs (A.) | 49 | −1 | 2.2 | — | 6.4 | — |
| 270 | 217 | Gillett Bros. £1 | 235 | −10 | †16.95 | — | 10.9 | — |
| 29 | 19 | Goode D't Mry. 5p | 20 | −1 | 0.25 | — | 1.8 | — |
| 153 | 110 | Grindlays | 110 | −3 | 3.07 | 7.5 | 4.0 | 3.4 |
| 120 | 93 | Guinness Peat | 93 | −2 | H5.67 | — | 8.7 | — |
| 330 | 173 | Hambros | 302 | −3 | 10.92 | — | 5.2 | — |

## BANKS & HP—Continued

| 1979 High | Low | Stock | Price | + or − | Div. Net | Cvr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Hire Purchase, etc.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## BEERS, WINES AND SPIRITS

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## BUILDING INDUSTRY, TIMBER AND ROADS

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## CHEMICALS, PLASTICS

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## CHEMICALS, PLASTICS—Cont.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## DRAPERY AND STORES

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## ELECTRICALS

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## ENGINEERING MACHINE TOOLS

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## ENGINEERING—Continued

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## FOOD, GROCERIES, ETC.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## FOOD, GROCERIES—Cont.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## HOTELS AND CATERERS

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## INDUSTRIALS (Miscel.)

| | | | | | | | | |
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INDUSTRIALS

INSURANCE


## FINANCIAL TIMES

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## MINES—Continued

### AUSTRALIAN

| 1979 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 14 | 9 | Acmex | 12 | ...... | — | — | — |
| 14 | 4 | ACM 20c | 10 | ...... | — | — | — |
| 171 | 100 | Bougainville 50 Toea | 105 | +1 | Q15c | 1.0 | 7.3 |
| 140 | 84 | BH South 50c | 94 | +1 | — | — | — |
| 860 | 340 | Central Pacific | 740 | ...... | — | — | — |

### TINS

### COPPER

| 1979 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 111 | 56 | Messina R0.50 | 70 | ...... | — | — | — |

### MISCELLANEOUS

| 1979 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 81 | 54 | Barymin | 58 | ...... | — | — | — |
| 13½ | 10 | Burma Mines 17½p | 11½ | ...... | — | — | — |
| 345 | 170 | Cons. Murch. 10c. | 260 | −10 | Z030c | — | 5.9 |
| 410 | 290 | Northgate C$1 | 300 | +10 | — | — | — |
| 362 | 226 | R.T.Z. | 255 | +3 | 11.5 | 2.7 | 6.4 |
| 31 | 18 | Robert Mines | 26 | ...... | — | — | — |
| 65 | 30 | Sabina Inds. C$1 | 34 | ...... | — | — | — |
| 880 | 525 | Tara Exptn. $1 | 550 | +25 | — | — | — |

## GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

| High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| $17½ | $10½ | Buffels R1 | $15 | ...... | Q200c | ♦ | 16.1 |
| $25½ | 890c | East Drie R1 | $12¾ | −⅛ | †Q115c | 1.6 | 20.9 |
| $10¾ | 350c | East Rand Prp. R1 | $10⅛ | −⅜ | †Q10c | — | 1.2 |
| $27⅝ | $18¼ | F.S. Geduld 50c | $26⅝ | −½ | †Q315c | 2.4 | 14.3 |
| $19⅝ | $11½ | Pres. Brand 50c | $13¾ | −½ | †Q150c | 3.2 | 9.9 |
| $18⅛ | $10¾ | St. Helena R1 | $17 | −¼ | †Q190c | 1.4 | 13.5 |
| 760c | 407c | Stilfontein 50c | 690c | ...... | †Q66c | 1.7 | 11.6 |
| $35¼ | $18⅞ | Vaal Reefs 50c | $33¼ | −⅜ | †Q280c | 2.7 | 10.7 |
| $50¼ | $28¾ | West Drie R1 | $46 | −¼ | Q615c | ♦ | 16.2 |
| $36½ | $22¼ | West Hldgs. 50c | $35 | −½ | †Q415c | 1.4 | 14.3 |
| $18½ | $10⅜ | Western Deep R2 | $16⅞ | −⅜ | †Q147½c | 2.1 | 11.6 |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or in EEC currencies are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

## REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

| | | | | | |
|---|---|---|---|---|---|
| Albany Inv. 20p | 26 | ...... | Sindall (Wm.) | 155 | ...... |
| Bertam | 24 | ...... | IRISH | | |
| Bdg'wtr. Est. 50p | 400 | −15 | Conv. 9% '80/82 | £86½ | ...... |
| Clover Croft | 28 | ...... | Nat. 9¾% 84/89 | £71⅝ | ...... |

## OPTIONS

### 3-month Call Rates

FINANCIAL TIMES

Saturday July 28 1979



MAN OF THE WEEK

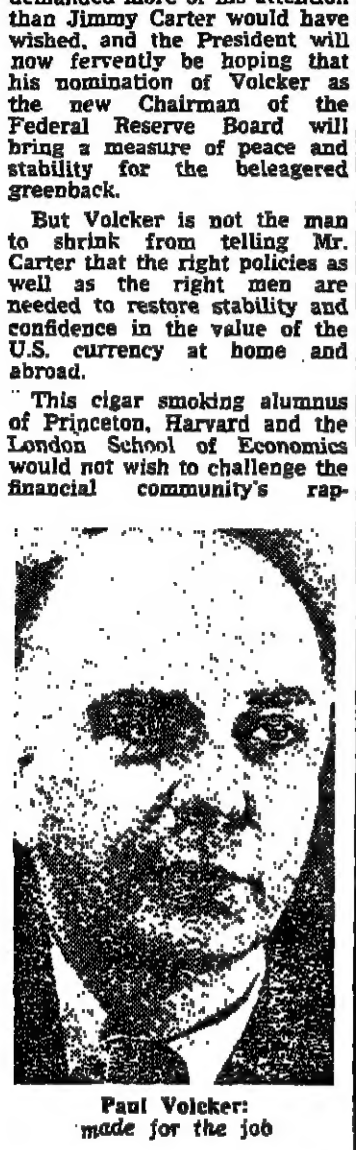
# Dealing with the dollar

BY JOHN WYLES

"PRESIDENTS, American Presidents, have not in my experience wanted to spend much time on the complexities of international finance," observed Paul Adolph Volcker in a lecture at Warwick University at the start of this year. Eighteen months of recurring Dollar crises have certainly demanded more of his attention than Jimmy Carter would have wished, and the President will now fervently be hoping that his nomination of Volcker as the new Chairman of the Federal Reserve Board will bring a measure of peace and stability for the beleagered greenback.

But Volcker is not the man to shrink from telling Mr. Carter that the right policies as well as the right men are needed to restore stability and confidence in the value of the U.S. currency at home and abroad.

This cigar smoking alumnus of Princeton, Harvard and the London School of Economics would not wish to challenge the financial community's rapturous judgment that Volcker's entire adult life has been a perfect preparation for a job which is arguably second in importance only to the Presidency in the framing of national economic policy.



Paul Volcker: *made for the job*

He is no egotist, however, and does not see himself as the lone problem solver who could be Mr. Carter's economic Kissinger. In the last 30 years there have been many well publicised clashes of policy judgment between the Administration of the day, anxious for political popularity, and a Federal Reserve exercising its independent right to seek economic stability through strict credit control. Volcker and others see his appointment as symbolic of Mr. Carter's commitment to lower inflation and a stronger dollar, but that does not rule out the possibility that the White House could soon be at odds with Mr. Volcker's Fed over the bank's interest rate and monetary policies.

Few doubt that Volcker has the intellectual self confidence and the political experience to take care of himself in any such battles.

For the last four years he has been president of the New York Federal Bank, effectively the second most important position after chairman in the Federal Reserve System. Seated in his tenth floor office in the New York Fed's granite fortress on Liberty Street he has the somewhat bald and bespectacled countenance of a genial bishop of the Church of England. Apostolic impressions vanish, however, when he hauls himself up to his full height of 6 ft 7 in and talks in a *basso profundo* voice on matters economic and financial.

Paradoxically Volcker, like many of his predecessors, at the Fed never really had a banking career, except for a couple of spells, seven years in all, as an economist and director of planning at the Chase Manhattan Bank.

By no means an ideologue, but also, one suspects less of a pragmatist than some of his fellow governors at the Fed, Volcker's four-year term as chairman could well see a change of emphasis. Whereas his predecessor, Mr. William Miller, was anxious to influence a broad range of government policies and therefore avoided public criticism of the Administration, Volcker is likely to narrow his focus and keep his distance. On the international front, he may well seek to develop closer understandings with other central banks aimed at narrowing extreme fluctuations between exchange rates. The Fed will fit him like a comfortable shoe.

# Attempt to block Exxon deal

BY JOHN WYLES IN NEW YORK

THE U.S. Federal Trade Commission yesterday tried to block one of the most costly diversification bids ever by a U.S. oil company. The commission sought a court injunction to stop Exxon Corporation's $1.17bn takeover of Reliance Electric.

If the commission had not decided to seek a temporary restraining order yesterday, Exxon would have been free from midnight tomorrow to purchase the 95 per cent of Reliance's common stock which had been tendered for its offer of $72 per share.

But the commission endorsed a staff recommendation to oppose Exxon on the grounds that the acquisition would violate anti-Trust laws. It comes at a time when Washington sentiment is running strongly against allowing oil companies to spend money on diversification which might otherwise be spent on domestic oil and gas development.

Last week, the Carter Administration said it intended to propose legislation preventing the country's 18 largest oil companies from buying other companies with sales or assets of $100m or more unless they can show that the purchase would enhance competition. Mr. John Shenefield, of the Department of Justice's anti-Trust division, said the Bill would prevent an "Exxon-reliance" type of merger.

A similar Bill has passed the Senate anti-Trust subcommittee containing a clause making it retroactive to April 10 as to bar the Reliance deal.

If it manages to hold up the acquisition, the Commission is hoping to argue for an injunction on the grounds that the takeover would eliminate Exxon as a potential competitor in the manufacturing of variable-speed drive devices which control current going into machines.

With a preliminary injunction, the Commission would be able to stop the merger while it launched administrative proceedings aimed at ruling it out altogether.

## Sceptical

Exxon, for its part, has claimed that only by taking over Reliance could it move quickly towards the manufacture and marketing of an "alternating current synthesiser" which, it says, could save the country 1m barrels of oil per day by the early 1990s.

Exxon's claims have been received with some scepticism in the oil industry which sees the Reliance purchase as an excellent diversification move. However, Mr. Clifton Garvin, Exxon's chairman, again stressed yesterday the company's desire to bring its energy saving invention to the nation as promptly as possible. The company would "vigorously defend" itself against the commission.

In the past, the commission has had no great success in arguing potential entry as grounds for blocking a merger. It failed in the case of Atlantic Richfield's acquisition of Anaconda in 1976, the Justice Department could not win a similar case against Black and Decker in the same year and again in 1977 the commission could not sustain a case against BOC International's interest in Airco.

# Shipyard manual workers seeking 37% pay rise

BY OUR LABOUR CORRESPONDENT

THE LEADING manual union in British Shipbuilders yesterday decided to seek a 37 per cent pay increase. This comes only days after the Government gave the industry two years to improve its financial position.

Members of the Amalgamated Society of Boilermakers executive approved a claim for increasing the minimum skilled rate from £80 to £110, with proportionate rises for other grades. A new centralised pay structure was introduced by British Shipbuilders during the last pay round and the boilermakers' claim is expected to be adopted throughout the Confederation of Shipbuilding and Engineering Unions.

Mr. John Chalmers, general secretary of the boilermakers and chairman of the confederation shipbuilding committee, said his union's executive felt the claim represented the right figure due to a possible steep rise in inflation later this year.

The claim, due for settlement on January 1, also seeks harmonisation of hours between manual and white-collar workers, an extra two days holiday and better pensions.

On Monday the Government announced its intention to continue subsidising British Shipbuilders' losses for the next two years with any subsequent aid dependent on performance. The corporation will be allowed to lose £100m on its trading account this year and a further £90m next year.

The Government has made it clear, however, that the continuation of subsidies will not prevent redundancies. These are expected to involve an 8,000 reduction in the merchant shipbuilding workforce. Union representatives will meet next month to consider their reaction to the jobs threat.

Mr. Chalmers said yesterday the unions recognised that if public financial aid was to continue "our members will be expected to lift their levels of productivity and, in addition, perhaps be much more flexible in the patterns of their present working practices."

# Port of London State aid continues

BY IAN HARGREAVES

**THE GOVERNMENT is to continue aiding the Port of London, but has commissioned a report from chartered accountants about the port's longer-term prospects.**

**Mr. Norman Fowler, Transport Minister, said in a written Parliamentary answer yesterday that he was approving the Port of London authority's one-year plan involving the loss of 800 jobs between now and next July.**

**In the meantime, the Government would continue financial support to the authority "on the same conditions as were announced by the previous Government."**

**This means permission for further drawing on the £35m to finance redundancies and a £10m Government-backed loan to meet the authority's cash shortage.**

**The PLA lost more than £17m last year and is expected to make even heavier losses in 1979.**

**Mr. Fowler's statement emphasises that no decision has yet been made on the authority's five-year plan, which is to be scrutinised by accountants Price Waterhouse.**

**It is clear that the Government has no intention of diverting the port authority from its present course of shedding manpower at both its up-river dock complexes, while avoiding outright closures.**

**Mr. Fowler's response to the five-year plan could form part of a more general approach to the problem of London's docklands now being formulated by Mr. Michael Heseltine, Environment Secretary.**

**This envisages setting up a "new town" style authority for the area, with wide planning powers.**

**The PLA has offered in its corporate plan to pass its large amount of surplus land to such an authority in exchange for a write-off of part of its more than £90m debt.**

**Tories' industrial philosophy, Page 14**

# BP in £600m agreement with Western Mining of Australia

BY PAUL CHEESERIGHT

BRITISH PETROLEUM'S plans for diversification into the mining industry moved forward decisively yesterday when the group announced an agreement in principle with Western Mining Corporation of Melbourne which could lead to the spending of up to £600m in Australia over the next decade.

BP Australia is to take 49 per cent of a joint venture with Western Mining to explore and develop a copper-uranium-gold deposit at Olympic Dam on the Roxby Downs Station in South Australia.

Olympic Dam, discovered in 1976 by Western Mining, is widely considered to be the most important minerals find made in Australia since major uranium deposits were uncovered in the Northern Territory in the early 1970s. But development costs are expected in the industry to be at least A$1bn (£487m).

In a further agreement, the company has taken an option until August 26 on another joint venture with Western Mining for exploration over an area of 10,000 square miles outside Olympic Dam.

For its part, Western Mining has been granted an option by BP Australia to buy a half share in Clutha Development, a BP subsidiary and the second biggest coal exporter in Australia. No price has been specified, but a year ago BP agreed to pay £102m for the 50 per cent of Clutha it did not already own.

The deals establish the BP group as a significant force in the Australian metals industry and consolidates the co-operation with Western Mining started by the joint venture of BP Minerals at the Benambra copper prospect in Victoria.

BP has agreed to ensure that funds are available for development of a mine to produce 150,000 tonnes a year of copper. It is also paying A$50m to meet the costs of a feasibility study for Olympic Dam. This could take five years.

Further, BP will pay Western Mining A$5m when the joint venture agreement comes into effect and later on will give Western Mining 2.5 per cent of its pre-tax earnings from the project.

It is an elegant arrangement from Western Mining's point of view, as it means that BP meets the costs for a project in which Western Mining maintains a 51 per cent interest. To that extent it illustrates the way in which the international mining industry is turning to the oil industry for capital, while striving to safeguard a measure of independence.

BP's liability under its option for the exploration agreement outside Olympic Dam could amount to A$110m, with the first A$10m spent over the next three years.

BP Australia and Western Mining will seek the approval of the Commonwealth Government and the South Australian state Government for the deals.

There seems little doubt of Commonwealth approval. Mr. Doug Anthony, deputy Prime Minister, said in Perth yesterday that he was pleased. "Western Mining have a problem with capital formation and to bring in a partner like BP gives them scope. Roxby Downs is one of the great discoveries of the last decade—it could become one of the most significant mines in the world."

The present South Australian Labour Government has a ban on uranium mining, but the Liberal Party has promised to overturn this if it is returned to power next year. Mining from Olympic Dam is, in any case, at least eight years away.

Continued from Page 1

# Small North Sea oilfields

be injected into BNOC offshore exploration and development.

Lord Kearton described the proposed changes as "the lifting of a burden rather than the removal of privilege." There were certain assets which BNOC would be happy to dispose of, particularly some acreage acquired in the fifth and six licensing rounds.

Two other aspects of offshore policy still to be tackled are depletion rates and development of marginal fields.

The Government has to decide how fast it wants North Sea reserves exploited.

It could deliberately speed development pace to give a sharp boost to the economy. Or it might take the view of Middle East producers that the oil in the ground can only increase in value, and therefore it would be in the country's long-term interest to match output to domestic needs and restrict net exports as long as possible.

For now, the Government is continuing its predecessor's practice of giving staged development consents, enabling the Energy Department to review periodically the desired progress of a field's production profile.

Mr. Howell has inherited some measures to help companies wanting to exploit marginal fields. Both royalty payments and petroleum revenue tax can be waived if companies prove that such steps are necessary for a field's development.

Companies point out that the concessions are discretionary, which makes it difficult for them to arrange financing in some cases.

Continued from Page 1

# U.S. trade

fluctuated quite sharply this year, from as high as $3bn in January to as low as $831m in March.

Administration economists, however, see an underlying improvement and predict the overall 1979 deficit will be between $22-25bn. The 1978 trade shortfall was $28bn.

Sectors that accounted for the $1.1bn increase in exports in June were agriculture, chemicals and manufactured goods.

Exports and imports both hit monthly records, at $15bn and $16.9bn respectively.

Oil accounted overwhelmingly for the smaller June import increase.

# Pym pledges annual 3% defence spending rise

BY REGINALD DALE

THE GOVERNMENT intends to keep defence spending rising by 3 per cent a year in real terms well into the 1980s, in spite of its crackdown on public expenditure in other areas. It was made quite clear in Whitehall yesterday that the re-building of the country's defences is to be a top priority.

Mr. Francis Pym, the Defence Secretary, said the Government was determined to improve defence capability in both the short and long term. It is going to make every effort to meet the NATO target of 3 per cent annual spending increases right through to the end of 1986.

The Government is taking "a very positive approach" to the modernisation of NATO's nuclear forces in Western Europe, and still hopes for a final decision on the deployment of new, updated weapons by the end of the year, Mr. Pym said. Although technical options are still open, the decision could well involve the basing of ground-launched, nuclear-armed cruise missiles, capable of striking the Soviet Union on British territory.

Mr. Pym pledged to beef up the "over-stretched" manpower levels in all the services after reviewing conditions of service "and all related matters." But a greater defence effort will not exempt Ministry of Defence staff from a review of their working methods which could lead to economies.

The decision on a successor to the UK's strategic Polaris nuclear deterrent will be taken after the decision on modernising the medium-range nuclear weapons in the European "theatre," Mr. Pym said. The alternatives will be closely studied next year and a decision should be taken by 1981 at the latest—given that Polaris will become obsolete around 1993-95, according to the latest estimates.

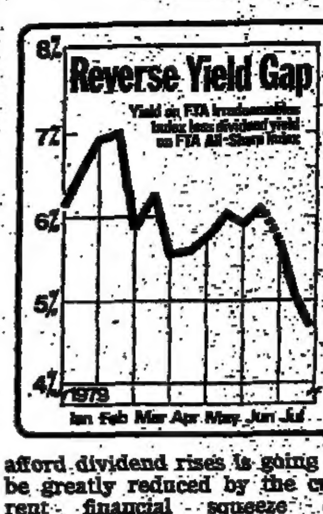
The choice is likely to be between a new submarine-launched ballistic missile and cruise missiles—the pilotless drones that can be launched from ground, sea or air. The U.S. has already been approached on the availability of such new systems, and seems likely to be ready to supply whatever Britain asks for.

**Missile study, Page 3**

THE LEX COLUMN

# The shrinking yield gap

## Index fell 3.3 to 458.2




Without ever coming under heavy selling pressure, equities have been quietly giving up more ground. The FT 30-share index, closing yesterday at 458.2, has lost 2.8 per cent on the week and 18 per cent—just 100 points—since the General Election. It is now only 10 points above the February lows, and uncomfortably near the bottom of the broad trading range which has remained intact since July 1977.

Some institutions have been picking up cheap lines of stock, but the funds' liquidity is fairly low and yields of over 14 per cent in the short money market leave them with little incentive to buy equities. Stockbrokers have been idle enough to return to the gloomy pastime of guessing when the next round of forced mergers between broking firms might begin.

## Yield gap

Some important structural changes are taking place in the capital markets. Over the past month or so the fall in the equity market together with the firmness of gilt-edged has had the effect of shrinking the so-called reverse yield gap to well under 5 per cent. This gap between the yields on undated Government bonds and on the All-Share Index has now narrowed to a figure less than was briefly seen at the bottom of the notorious 1974 bear market, and is in fact smaller than at any time since the beginning of the decade.

The recent narrowing of the gap has come despite the effect of the Budget tax changes, which caused the gross yield on the index to be cut by more than 0.2 points. And it has come before the full impact has been felt of the flurry of dividend rises which are the result of the ending of dividend controls next week (though the gross dividends on the All-Share, which takes account of dividend forecasts, have already shot up by a seventh this month so far.)

Moreover the use of an average yield on equities obscures the fact that there is currently an enormous spread of yields between sectors. In a number of manufacturing sectors, like metal forming, textiles and packaging and paper, yields are 9 to 10 per cent on average; even ICI now yields well over 8 per cent. Here, the yield gap has almost disappeared. In contrast, highly rated sectors such as stores and electronics still give low returns.

One way of justifying the shrinking of the yield gap is that British industry's ability to afford dividend rises is going to be greatly reduced by the current financial squeeze on industry—at least once the current spate of once-and-for-all adjustments by the richer companies has ended. The pace of annual dividend rises, of 10 per cent or more in recent years, and possibly an exceptional 20 to 25 per cent in 1979, may not be sustained next year.

Another way of looking at the shift in yield relationships is to remember that in a non-inflationary system Ordinary shares, being risky, must carry a higher return than gilt-edged unless there are unusual prospects for real growth. Ever since 1959 it has been normal that the yield gap should be "reverse" but this will not always be so. Inflation is currently accelerating, but the stock market is reflecting the hopes of investors that the Government's tight money policies will have a decisive impact within a year or two.

## Midland Bank

At first sight a 56 per cent increase in Midland Bank's interim pre-tax profits to £138.5m looks marginally the worst result of the Big Four. However, after adjusting for special factors such as the loss of Bland Payne and the inclusion of only a three month contribution from Standard Chartered due to an accounting change, Midland reckons that its profits are up by some 80 per cent or so. The stock market seemed to accept this explanation yesterday, and the shares closed unchanged at 345p where they yield 7.8 per cent—assuming a 10 per cent increase in the gross dividend.

On the domestic front Midland has fared much the same as its rivals. Sharply higher interest rates have boosted net interest revenues and average sterling lending is up by around a tenth. However, its international profits are up by around a quarter and it seems that in common with National Westminster, Midland's international expansion is still producing a healthy growth in profits compared with the stagnant trend at Barclays and Lloyds.

In the second six months the seasonal trend in profits at Thomas Cook should work in Midland's favour and, with a full contribution from Standard Chartered, second half profits should at least top the first half giving a full year figure of £208m (against £231.4m).

This will be a reasonable enough outturn, but what has really been undermining the Midland Bank share price recently has been the concern over the planned acquisition of Walter E. Heller. It will be many months before the deal is consummated but until it is, the stock market will continue to worry about the balance sheet implications of this major move.

## BTR

With its share price now standing comfortably above BTR's 200p per share offer price, the stock market seems convinced that Bestobell is not going to be taken over without a spirited fight.

However, BTR is certainly not letting the grass grow under its feet. It has rushed out its interim profit figures a month earlier than usual and they only re-emphasise the vastly different growth records of the two companies. BTR's pre-tax profits are some 50 per cent higher at £27.4m and for the full year they should be up from £40m to around £58m. In its defence Bestobell is forecasting that its profits will rise by 30 per cent this year to over £6m. But 10 years ago both companies were earning roughly the same sort of profits.

Much of BTR's growth has come from acquisitions but it seems to have the knack of making its purchases much more profitable and if it could get Bestobell's margins up to its own levels it should be able to double Bestobell's profits without too much difficulty. Next week it will send out its reply to Bestobell's defence document but it will probably have to offer a higher price or some of its own shares if it is going to win the day. Certainly it was successful in getting its share price up yesterday—by 17p to 314p.

# Weather

UK TODAY

MAINLY DRY with sunny periods. Some scattered showers later.

**London, E., S., Cent. N., Cent. S. England, Midlands**
Sunny periods, perhaps showers later. Max. 28C (82F).

**S.W., N.W. England, Wales**
Mainly dry, bright periods. Max. 22C (72F).

**N.E., N.W. Scotland, Moray Firth, Orkney**
Rain in places, mostly cloudy. Max. 16C (61F).

**Rest of Scotland, N.E. England, Ulster, Isle of Man**
Bright intervals becoming cloudier. Rain in places. Max. 19C (66F).

**Channel Is., Shetland**
Fog patches, bright intervals. Max. 16C (61F).

**Outlook:** Sunny intervals but some rain. Becoming cooler.

WORLDWIDE

| | | Y'day midday °C | °F | | | Y'day midday °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 27 | 81 | Locarno | S | 27 | 81 |
| Algiers | S | 29 | 84 | London | S | 28 | 82 |
| Amsdm. | S | 24 | 75 | Luxmbg. | S | 27 | 81 |
| Athens | S | 32 | 90 | Luxor | S | 27 | 81 |
| Barclna. | S | 29 | 84 | Madrid | S | 35 | 95 |
| Belfast | C | 21 | 70 | Majorca | S | 30 | 86 |
| Belgrd. | C | 25 | 77 | Malaga | S | 29 | 84 |
| Berlin | F | 18 | 64 | Malta | S | 30 | 86 |
| Biarritz | C | 22 | 72 | M'chstr | F | 25 | 77 |
| Bmghm. | S | 26 | 79 | Melbne. | C | 8 | 46 |
| Blackpl. | F | 24 | 75 | Milan | S | 30 | 86 |
| Bordx. | C | 22 | 72 | Mntreal. | C | 22 | 72 |
| Boulgn. | S | 24 | 75 | Moscow | R | 15 | 59 |
| Bristol | S | 26 | 79 | Munich | F | 24 | 75 |
| Brussels | S | 28 | 82 | Nairobi | C | 19 | 66 |
| Budpst. | F | 24 | 75 | Naples | S | 29 | 84 |
| B. Aires | C | 20 | 68 | Nwcstl. | F | 21 | 70 |
| Cairo | S | 33 | 90 | N. York | S | 28 | 82 |
| Cardiff | S | 25 | 77 | Nice | S | 26 | 79 |
| Cas'b'ca | F | 28 | 82 | Oporto | S | 22 | 72 |
| Cape T. | S | 17 | 62 | Oslo | F | 22 | 72 |
| Chicago | C | 28 | 82 | Paris | S | 29 | 84 |
| Cologne | S | 25 | 77 | Perth | S | 11 | 52 |
| Cpnhgn. | S | 18 | 64 | Prague | F | 19 | 66 |
| Corfu | S | 31 | 88 | Reykjvk. | C | 10 | 50 |
| Dublin | F | 19 | 66 | Rhodes | S | 29 | 84 |
| Dbrvnk. | S | 27 | 81 | Rio J'o | S | 23 | 73 |
| Ednbgh. | C | 20 | 68 | Rome | S | 29 | 84 |
| Faro | S | 29 | 84 | Salzbrg. | R | 22 | 72 |
| Florence | S | 31 | 88 | Singapr. | C | 29 | 84 |
| Frankft. | S | 26 | 79 | Stckhm. | F | 21 | 70 |
| Funchal | S | 22 | 72 | Strasbg. | S | 28 | 82 |
| Geneva | S | 27 | 81 | Sydney | S | 19 | 66 |
| Gibrltr | S | 26 | 79 | Tangier | S | 33 | 91 |
| Glasgow | C | 20 | 68 | Tehran | S | 31 | 88 |
| G'rnsey | C | 17 | 63 | Tel Aviv | S | 28 | 82 |
| Helsinki | R | 13 | 55 | Tenerife | S | 23 | 73 |
| H. Kong | S | 30 | 86 | Tokyo | C | 29 | 84 |
| Innsbrk. | F | 24 | 75 | Toronto | C | 19 | 66 |
| Invrnss. | F | 17 | 63 | Tunis | S | 31 | 88 |
| I. o. Man | C | 18 | 64 | Valencia | S | 31 | 88 |
| Istanbul | S | 26 | 79 | Venice | S | 27 | 81 |
| Jersey | C | 17 | 63 | Vienna | R | 22 | 72 |
| Jo'burg | S | 13 | 55 | Warsaw | C | 17 | 63 |
| L. Pims. | S | 24 | 75 | Zurich | S | 26 | 79 |
| Lisbon | S | 30 | 86 | | | | |

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.



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هكذا من الأصل